THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Are The Japanese Presenting a New Edition of the Twenty-One Demands?

密勒氏評論報

SATURDAY, AUGUST 13, 1927.

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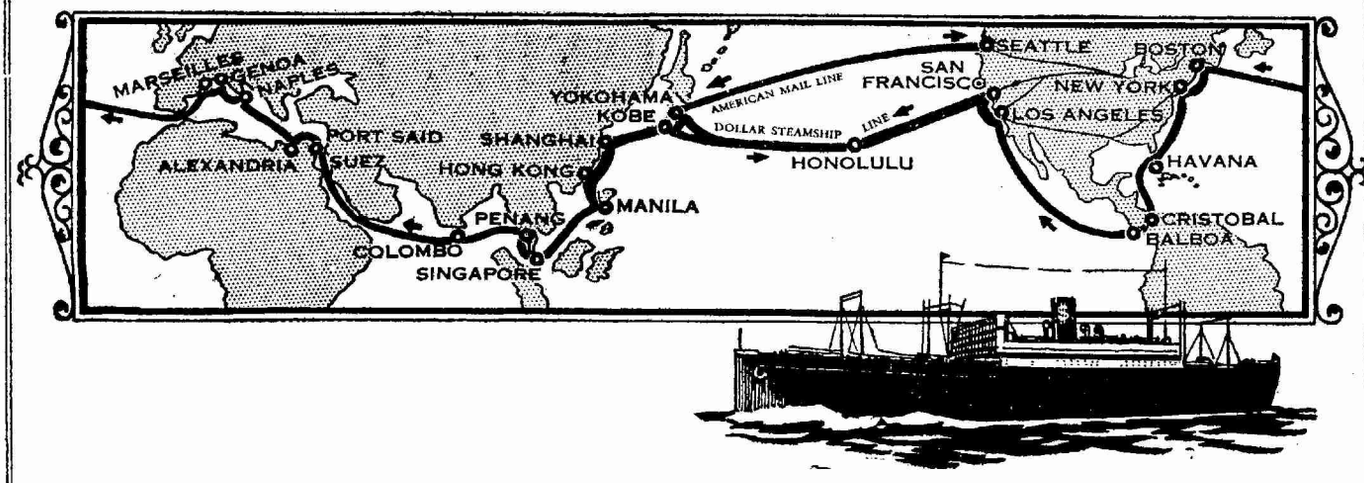

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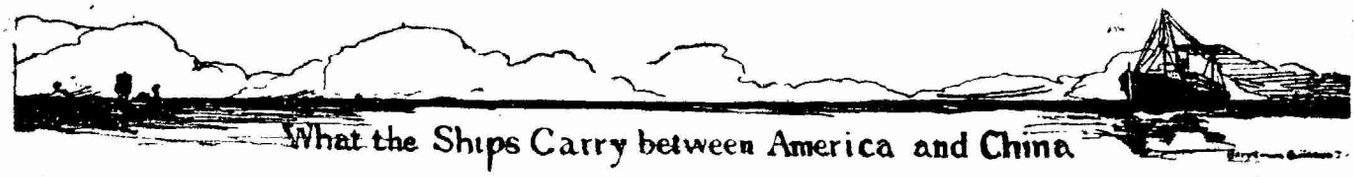

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Avg. Customs Rate Tls. 1.45 equal Gold $1

RADNOR, July 11.
from U. S. A.

Steel, Galvanized:		
Wire Shorts	Pls.	890
Carbon, Black	„	281
Cotton, Raw Bls. 8,453	„	26,184
Shrimps, Dried	„	106

PRESIDENT HAYES, July 13.
From U. S. A.

Brocades, Dyed, Plain, 30 in. by 42 yd	Pcs.	69
Typewriters	„	116
Motor-cars	„	24
Rubber Cotton Cloth	Yds.	2,004
Aluminium Foils	Pls.	7
„ Sheets	„	6
Tinned Plates	„	2,066
Mild Steel Angles	„	84
Zinc Sheets, Polished	„	10
Asparagus	„	43
Indigo Paste, Artificial: 20 per cent	„	1,124
Ink, Printing	„	204
Glue	„	35
Leather, Calf	„	10
„ Sole, shoulders	„	237
„ „ other kinds	„	31
Milk, Evaporated	„	236
Oranges, Fresh	„	2,015
Paper, Blotting	„	13
„ Writing	„	73
„ Unclassed	„	19
Prunes	„	9
Baking Powder	Doz.	2,970
Lemons, Fresh	Mille.	18
Oil, Lubricating, Mineral	Galls.	25,904
Shoes,	Pairs.	1,580
Chocolate	Lb.	384
Treasure: Silver Bars	Hk. Tls.	1,413,408

SILVERBEECH, July 13.
from U. S. A.

Aluminium Foils	Pls.	12
Flour, Corn	„	54
Cotton, Raw Bls. 2,500	„	8,836
Starch	„	6
Tobacco, Leaf	„	4,076
„ Stalk	„	1,301
Wax, Paraffin	„	419
Dyes, Aniline Pkgs. 1,074	Hk Tls.	19.934

PRESIDEET HAYES, July 14.
To Boston.

Silk, Waste: Shanghai Bls. 16	Pls.	52
Tea, Black, other Kinds, other Ports	„	43
Egg Albumen, Dried	„	78
Brassware	„	35
Skins, Goat, Untanned	„	244

To Marseilles.

Silk, Waste: Other Ports Bls. 21	„	68.73
Silk Cocoons, Reuse: Other Ports Bls. 29	„	103.75

To New York.

Tea, Green: Young Hyson, other Ports	„	61
Gunpowder, Ningpo	„	123
Tea, Black, other kinds, Kiukiang	„	10
Antimony, Regulus	„	2,100
„ Oxide	„	1,243
Bristles	„	232
Egg Albumen, Dried	„	84
„ Yolk, Dried	„	227
Hides, Cow	„	127
Rhubarb	„	76
Skins, Goat, Untanned	„	640
Wool, Sheep's	„	1,016

OAKRIDGE, July 14.
from U. S. A.

Timber: Softwood, Ordinary, Sawn	Sup ft.	654,151

SHINYO MARU, July 14.
To San Francisco.

Tea, Green: Gunpowder, Ningpo	Pls.	478
Young Hyson, Kiukiang	„	32
Young Hyson, other Ports	„	294
Hyson, other Ports	„	10
Tea, Black, Kiukiang	„	54
Tea, Leaf, Unfired, other Ports	„	36
Intestines, Pigs'	„	40

To Houston.

Hair, Human	„	213

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 65	„	65.00
Silk Pongees, Honan	„	70.95
Tea, Black, Congou: Kiukiang	„	15
Tea, Green: Young Hyson, other Ports	Pls.	19
Hyson, other Ports	„	15
Intestines, Pigs'	„	15

PRESIDENT GRANT, July 15.
To Seattle.

Oil, Wood	Pls.	9,223

To Baltimore.

Tea, Green: Young Hyson, Kiukiang	„	34
Young Hyson, other Ports	„	36
Hyson other Ports	„	11
Gunpowder, Kiukiang	„	9

To Charleston.

Hair, Human	„	101

To Philadelphia.

Hair, Human	„	26

To Houston.

Hair, Human	„	84

To New York.

Brassware	„	38
Bristles, Assorted	„	50
Chinaware,	„	5
Woodware	„	5
Skins, Dog, Tanned	Pcs.	20,000
„ Raccoon, Untanned	„	3,150
„ Weasel, „	„	2 500
Rugs	Hk. Tls.	4,751

To Boston.

Silk, Waste: Shanghai Bls. 3	Pls.	9.68

PRESIDENT GRANT. July 16.
from U. S. A.

Dextrine	Pls.	57
Oil, Lubricating, Mineral	Galls.	2,550
Typewriters	Pcs.	5

PRESIDENT CLEVELAND July 16.
from U. S. A.

Asparagus	Pls.	172
Acid, Carbolic	„	34
Coffee	„	7
Fruits, Table and Pie	„	52
Grease, Lubricating, Mineral	„	114
Leather, Calf	„	3
„ Sole, Sides	„	115
Milk, Evaporated	„	624
Oranges, Fresh	„	457
Paper, Chipboard	„	1,865
Raisins	„	317
Chocolate	Lb.	384
Lemons, Fresh	Pcs.	241,800
Oil, Lubricating, Mineral	Galls.	33,416
Treasure: Silver Bars	Hk Tls.	673,723

August 8—Wu-han Government suppresses labor unions on account of communist activities—Japanese Minister Yoshizawa goes to Nanking, but will not go to Hankow as originally announced; accompanied by Consul-General Yada of Shanghai and Tajima, Acting Consul at Nanking—M. B. K. steamer Miyoshi Maru fired upon by Chinese soldiers near Pukow—*Toho* report states that Chiang Kai-shek has received a crushing defeat in the vicinity of Hsuchowfu and Haichow; Pengpu still held by Nationalists—Chang Tso-ling wants to suspend military operations at Hsuchowfu, but Gen. Chang Chung-chang insists upon occupying Pengpu—Gen. Chu Yu-puh, tupan of Chihli now occupying Hsuchowfu and is planning to dispatch troops into Honan against Feng Yu-hsiang—Chinese gendarmes withdrawn from Japanese consulate in Nanking, apparently in preparation of the return of the Japanese consul—Feng Yu-hsiang moves headquarters to Hsinhsiang and orders Gen. Lu Chung-lin to advance into western Shantung; Feng claimed to have 30,000 troops in western Shantung—Hankow report by *Toho* states that the 'communist' troops at Nanchang which rebelled against Chang Fa-kwei, are planning to advance on Canton—Nationalist Government, through *Kuo Min* agency issues appeal to Chinese at Shanghai to support the Government in plan to establish customs autonomy and abolition of likin—Kiukiang seriously disturbed with posters appearing denouncing Wang Ching-wei and Wu-Han Government—Chang Tso-ling sends troops to Tamingfu area owing to advance of Feng Yu-hsiang's troops—Nanking claims to have received telegrams from Tang Shen-tse and Wang Ching-wei offering cooperation, but Nanking is skeptical of good faith—Feng also orders Chin Yun-ao's troops into Western Shantung—Plans announced for establishing a 'Chungshan' library in Nanking—Peking begins negotiations with Spanish for new treaty—Peking commission sent to Tsingtao to investigate recent fracas with Japanese troops reports that incident already settled by Japanese.

August 9—Japanese Cotton Mill Owners Association, Shanghai, threatens to go on strike throwing 60,000 men out of work if Nationalist enforce new tax program on Sept. 1, the Japanese claiming the new taxes would cost the mills Tls. 10,000,000 annually—More than 30 Chinese killed and probably hundred injured in collapse of public market in Chinese city due to wind storm—*Toho* report states that Nationalists continue to retreat and that Gen. Sun Chuan-fang hopes to capture Yangchow shortly thus placing all of Kiangsu north of Yangtsze under Northern control—Canton adopting protective measures to prevent capture by troops from Kiangsi formerly under Chang Fa-kwei—Claimed that Gen. Chang Fa-kwei's troops have captured Nanchang and that Generals Ho Lung and Yeh Ting, who rebelled with 20,000 troops are marching southward toward Canton—*Kuo Min* agency states that Nanking Government has lifted the embargo on silver with the exception of shipments to Hankow and Kiukiang—Central Law Commission composed of C. C. Wu, Teng Tse-yu and Wang Chung-hui formed at Nanking to revise system of law courts—Government announces creation of special municipality at Nanking with plans for raising $50,000,000 for improvement of the Port—*Kuo Wen* report from Peking states that Feng Yu-hsiang has discharged all foreign employes of the Lung-Hai Railway, but unconfirmed—Tang Shen-tse and Wang Ching-wei at Hankow adopt more stringent suppression of communists—Chekiang Government announces construction of road between Shaoshing and Shenhsien before end of year—Kuomintang calls meeting of Central Executive Committee for August 12 in Nanking.

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soocho	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		*20.30				6.25

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

* From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN* **Main Line** Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
			*	*	*	*	*	
Shanghai N.	d.		8.05	9.15	13.30	15.35	18.30	
Jessfield	d.		8.21	9.32	13.46	15.51	18.46	
Siccawei	d.		8.27	9.40	13.53	15.58	18.53	
Lunghwa J.	d.		8.40	10.02	14.07	16.14	19.05	
Shanghai S.	d.		8.15	9.30	13 40	15.45	18.40	19.35
Lunghwa J.	a.		8.34	9.49	13.59	16.06	18.59	19.54
Sungkiang	d.		9.20	11.00	14.53	17.08	19.45	
Kashai	d.		10.09	12.07	15.48	18.10	20.38	
Kashing	d.	7.40	10.40	12.49	16.23	18.35	21.10	
Yehzah	d.	8.25	11.14	13.40	17.03	(a)	21.44	
Changan	d.	9.18	11.49	14.32	17.44		22.19	
Hangchow	d.	10.34	12.45	16.00	18.55		23.15	
Zahkou	a.	10.50	13.00	16.25	19.10		23.30	

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp R	Local
		*	*	*	*			
Zahkou	d.		7.15	9.05	13.35	15.25	17.45	
Hangchow	d.		7.40	9.40	14.00	15.51	18.10	
Changan	d.		8.32	11.05	15.06	17.03	19.02	
Yehzah	d.		9.03	12.03	15.43	17.46	19.33	
Kashing	d.	7.35	9.44	12.57	16.32	18.25	20.15	
Kashai	d.	8.06	10.08	13.35	16.59	(a)	20.41	
Sungkiang	d.	9.15	11.01	14.48	17.58		21.36	
Lunghwa J.	d.	10.11	11.41	15.53	18.47		22.16	8.41
Shanghai S.	a.	10.30	12.00	16.12	19.07		22.35	9.00
Lunghwa J.	d.	10.10	11.42	15.48	18.45		22.17	
Siccawei	d.	10.19	11.49	15.57	18.54		22.24	
Jessfield	d.	10.26	11.56	16.05	19.01		22.31	
Shanghai N.	a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao	d.	7.05	9.30	11.45	13.50	17.30	21.50
Kenshangmun	d.	7.21	9.48	12.01	14.10	17.46	22.06
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35

Zahkou	d.	8.15	10.35		15.10	18.35	22.55
Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華基督教青年協進會立會之機關

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IS IT UNFAIR TO SUSPECT THE JAPANESE?

THE *New York Times* recently printed an editorial which commented on the reoccupation of Tsingtao and the Shantung Railway by the Japanese troops. After reviewing Japan's previous activities in Shantung during the World War when Japan was trying to put over the Twenty-One Demands and her evacuation of Chinese territory following the Washington Conference, the *Times* says, "Under the circumstance it is only natural that the reoccupation of Tsingtao by the Japanese, followed by the dispatch of Japanese troops to Tsinan, has roused serious misgivings among the Chinese." The *Times* also calls attention to the fake report sent out from Tokyo regarding the landing of 500 American marines at Tsingtao, stating that this "had not helped to calm Chinese opinion." The editorial concluded with the following words:

> "Despite the obvious change in the Japanese policy toward China since the accession of the Tanaka Cabinet, it is unfair to suspect the Japanese leaders of ulterior motives in Shantung. Even if some of them wish to reoccupy the province, their common sense must tell them that there could be no better way of incurring at once the bitter hostility of China and the disapproval of the Western world. The Japanese are properly concerned about the protection of Shantung, where they have many investments and where several thousand of their citizens have been in business for a dozen years. It is as logical for them to send troops into that province as it is for the British or Americans to send gunboats to protect their citizens up the Yangtsze. *If Japan wishes to remove all suspicion, she has only to make this plain and, by urging the cooperation of other Powers, to show to the Chinese that her mission is to police and not to occupy.*

WE italicise the last sentence, because Japan's actions since the landing of troops in Shantung, have been such as to create still further suspicion among the Chinese, a fact which was emphasized in the recent Note of Dr. C. C. Wu, Minister of Foreign Affairs of the Nanking Government, who called attention to the fact that Baron Tanaka was again using the old phrases of "Japan's special interests in China," "Japan's desire to preserve order for both Chinese and foreigners in Manchuria and Mongolia," "Japan's intentions to meet the menace before it reaches these areas," and so on. All of which inevitably recalls the painful days of the Twenty-One Demands when Japan was trying to take over north China, bag and baggage, while the other Powers were engaged in the world war.

UNFORTUATELY it is not only in the use of old phrases that Japan is rousing suspicion among the Chinese. In the *Japan Chronicle* (British newspaper published at Kobe) for July 30 we find a translation from one of the Japanese newspapers stating that Mr. Yoshida, Japanese consul-general at Mukden, upon his return from the Tokyo conference, called on the civil governor of Fengtien province and conveyed to him certain demands of the Japanese Government on the following matters:

1—Owing to the difficulty of settling the question of leasing land to the Japanese in Manchuria, it was desired that the Chinese should grant land ownership to Japanese as an alternative.

2—The present Chinese construction of a railway line parallel to the South Manchuria line (Japanese-owned) should be abandoned and the Chinese should agree that no parallel line should be constructed in future.

3—The Chinese authorities should quickly agree to an extension of the Kirin-Hoinyung line for a distance of 60 miles.

4—That Japanese be permitted to immediately open a new Consulate at the town of Linkiang near the Korean border for the purpose of looking after trade interests and keeping an eye on Korean malcontents.

IN CONNECTION with the presentation of these demands, the Japanese consul-general at Mukden informed the Chinese civil-governor of Kirin that the present Japanese Cabinet was "determined to settle these outstanding questions *speedily and amicably,*" but also pointed out that if they could not be settled locally that they would be referred to Mr. Yoshizawa, Japanese minister in Peking so that he could take them up with Marshal Chang Tso-ling directly. It was also stated at the same time that Japan "desired to clear up certain other questions of lesser importance relating to the economic development of Japanese residents in Manchuria."

THUS THE evidence seems to point, as Dr. C C. Wu suggested, back in the direction of the old Japanese policy of the Twenty-One Demands. The *Osaka Asahi* recently said editorially: "The Tanaka Cabinet, since it came into office, has given ample evidence of its intention to pursue a positive policy toward China. Some time ago it sent troops to Shantung and now it has installed Mr. Yamamoto Jotaro, a confirmed advocate of a positive policy toward China, in the presidency of the South Manchuria Railway by forcing the resignation of Mr. Yassuhiro. The Far Eastern Conference (attended by all Japanese diplomatic and consular and other officials from China) reached the definite decision that Manchuria and Mongolia should be dealt with separately from the main provinces of China and that it should be the aim of the Japanese Government to make these territories safe places of residence for the natives and for the foreigners by keeping them secure from the civil disturbances which are recurrent in China. In view of the special relations existing between Japan and Manchuria and Mongolia this decision has much to commend itself, especially when the prevailing conditions in the neighboring republic are taken into due consideration. . . . The Government declares that it is ready to resist decisively all attempts to disturb Manchuria and Mongolia. If it really means to do this it puts a very weighty responsibility upon Japan. . . . As the general outlines of the new Manchuria and Mongolia policy referred to clearly show, the present Cabinet is more positive about Japan's special positions in Manchuria and Mongolia than any other Ministry in the past. It is doubtful whether the Okuma Cabinet had so confirmed a view about Japan's position when it formulated the famous Twenty-One Demands of 1915."

THE FOREGOING quotation which is from one of the leading Japanese newspapers, shows quite clearly what the present Tanaka Cabinet in Japan is up to, but if still further evidence is needed, we have a declaration by Count Kodama, Governor of the Japanese leased area in Manchuria which appeared in the *Manchuria Daily News*, official organ of the South Manchuria Railway, on July 28 to the effect that, "instead of dealing with the Peking Government on Chinese problems, a new policy has been agreed upon to negotiate separately with the local authorities concerned, seeing how China is cut up into so many spheres of influence of the different war lords. It has been agreed for the Japanese Government to protect Japan's economic rights in the South and her acquired ones in the North. The principle of the Open Door and Equal Opportunity in Manchuria and Mongolia *must be developed at Japan's initiative.* Anyone transgressing upon any of these vested interests will have to be removed, if necessary, by force." In addition to these rather strong statements, which mean in effect the closing of the 'Open Door' in Manchuria and Mongolia, Count Kodama also referred to certain industries in Manchuria which Japan intended to develop immediately, particularly the soda and tobacco industries and a Japanese controlled Central Bank which would prevent the Chinese from floating further issues of worthless currency similar to what Marshal Chang Tso-ling has done in recent years. The editor of the *Manchuria Daily News* in commenting on the statement by Count Kodama declared, "The South and North, being differently related to Japan, an economic restoration will be the guiding principle of Japan to the South, and a trespass upon Japan's legitimate interests might call for resort to force. Then if still further evidence of Japan's active interference in Chinese affairs is needed we have a dispatch from Tokyo, dated July 27 which also appeared in the *Manchuria Daily News* stating that a conference had been held in Tokyo by Premier Tanaka, War Minister Shirakawa and Mr. Yoshizawa, vice Minister of Foreign Affairs on July 26 when the question of withdrawal of Japanese troops from Shantung was considered. The result of this conference was that:

1—The Chinese situation, though at a lull at present, is still far from settled.

2—If the compromise in progress between the North and South, for which Japan is acting as go-between unofficially, takes shape, the troops shall be withdrawn immediately.

3—Japan is addressing an important proposal both to the North and the South shortly (the contents are kept from publicity for diplomatic reasons). It is opportune for Japan to effect the withdrawal on seeing the proposal carried into effect.

EXIT THE BOLSHEVIKS: NOW WHAT NEXT?

MICHAEL Borodin and all of the other Russian communists who have been prominently identified in an advisory capacity with the

Chinese Nationalist movement, have departed for Russia, making their way home through China's back door, so to speak, otherwise over the long road across Shensi, Kansu and Mongolia. We do not like to use the expression, 'I told you so' but readers of these paragraphs may remember the forecast having been made in these columns many months ago that China probably would follow the precedent of Turkey in respect to Russian assistance. And now it has come to pass! The Chinese Nationalists used the Russians up to a certain point and then they let them go. Westerners in China need not pat themselves on the back and claim responsibility for the elimination of the Russian communists, for China did that job herself. The truth of the matter is that the anti-Russian campaign conducted in China by the British, probably was responsible for China's keeping the Russians longer than she otherwise would have done. But while breaking with the Communists, China is not breaking with Russia, as Dr. C. C. Wu's recent statement circulated by the *Kuo Min* news agency showed. With a long contiguous boundary of many thousands of miles connecting the two countries, it is obvious that China and Russia will have close relations in the future, and it is more than likely that China's 'back-door' connection with Russia, may, in the future become a sort of front door. Japan has pretty effectively closed a considerable portion of China's front door, so that it is more than likely that Russia, with German, and also, American financial and technical assistance, will now seek to construct railway connections across Mongolia where only desert trails now exist. But this is for the future. The interesting thing now is that the Russians have gone and the reason for their going is due to their own mistakes. So long as the Russians stuck to Chinese Nationalism and gave it disinterested support, they were on safe ground, but when they attempted to foster the development of communism in China and to turn Chinese animosities against other foreigners in China, then the Chinese began to grow suspicious and finally decided to get rid of their Russian helpers. The Chinese always react in this way and it is interesting to note that the Russians, with their deep knowledge of Chinese psychology, should have made the same mistake which other foreign nations have made in China in the past.

BRITONS and Japanese and Americans as well who may feel elated at the elimination of the Russian communists, should enjoy themselves while they can, for the chances are that the passing of the Russians will not materially affect the revolution against foreign interests from the standpoint of the treaty situation. The Nanking Government, for instance, is very much against the communists, but at the same time is also very much against the old treaty position of the foreigners in China, witness the moves in the direction of tariff and fiscal autonomy. There is one place where the passing of the Russian communists may affect the revolution and that is in the sphere of the labor and agrarian revolution which has accompanied the political manifestations. The Russians, being expert in the organization of social revolution, naturally contributed much to this phase of the Nationalist movement. Now that the Russians have gone we may expect to see a lessening of labor agitation, at least from the standpoint of mass organization. Labor agitations and strikes will of course continue, but it is extremely questionable whether they will have the organized force that they had when the Russians were here showing the Chinese how to do it. As Mr. Burton points out in an article elsewhere in this issue, the laborers are not likely to give up, even though the powers-that-be are adopting suppressionist tactics of the most drastic character. Therefore it is to be hoped that the moderate Chinese as well as the foreign business men and industrialists in China have now had a lesson and will immediately take steps to head off the next mass-labor uprising before it comes. The Nanking Government apparently has made a start in this direction by its proposals of the past week pertaining to the lifting of the farm-tax and the creation of agricultural banks as well as the creation of a Commission of Arbitration between labor and capital by Mr. Hwang Fu, mayor of the Shanghai-Woosung Special Administrative District. Still another movement that looks encouraging is that started by Dr. Wang Chung-hui, Minister of Justice in Nanking to draft a labor code for China. According to the preliminary announcement a commission has been created to make a study of labor codes in other countries with the idea of utilizing the best experiences of other lands in the creation of a 'model' code for China. It is only in this way that there is any possible hope for either the foreigners or the moderate-minded Chinese. Both should take immediate steps to improve their positions with the Chinese laboring and peasant elements which constitute at least three-quarters of the population. The foreigners should now move, without delay, toward the revision of the treaties to a point where the Chinese generally are satisfied so that there will be no further cause for anti-foreign agitation, at least from the standpoint of the unequal treaties. On the other hand the moderate Chinese property-owning classes, business men, bankers, industrialists, should also move to bridge the gap which now exists between Chinese capital and labor, by removing the causes for Chinese labor unrest. It is only in this way that the present revolution may be directed into an evolutionary channel.

SENATOR BINGHAM AND THE CHAMBER

IN THE ISSUE of *The Review* for July 30, Page 213, Column 1, under the heading, "Some Thoughts on the Matter of Entertaining Senators," there appeared a reference to a luncheon or dinner which the officers and committee of the American Chamber of Commerce in Shanghai gave to Senator Bingham, upon which occasion the Senator outlined in considerable detail his views on American policy which he stated he intended to convey to President Goolidge upon his return to Washington. In its reference to this meeting *The Review* stated that all members of the press were excluded from this conference and likewise the general membership of the Chamber. Prior to his departure from Shanghai last week, Senator Bingham informed *The Review* that the fault for excluding the press and general membership of the Chamber from this conference was probably due more to himself than to the officers and committee of the Chamber. To use Senator Bingham's words, "Some of the officers of the Chamber asked me to meet with them for a discussion of conditions in China. Up to that time I had completely refrained from expressing my views on conditions in China or American policy toward China, preferring to wait until I had seen all parts of the country and returned to the United States. However, the night before my conference with the Chamber's committee, I met the American newspaper correspondents and gave them a comprehensive interview on the entire subject, a full report of which

appeared in *The China Weekly Review* on July 9. In the cousre of my conversation with one of the American correspondents, I was urged to tell the members of the American Chamber substantially what I had told the American correspondents for cabling to the United States. However I did not fully make up my mind to do so until I got to the meeting. It is therefore probably correct to state that I was indirectly responsible for the secrecy of the meeting, for I imagine the officers and members of the committee of the Chamber expected rather to present their views than to hear mine, hence they did not consider it necessary to call a general meeting and admit members of the press."

The *Review* is glad to make this correction on Senator Bingham's behalf for no one can accuse him of lack of frankness in connection with his investigation of China or what he intends to report. The same however, cannot be said in respect to the executive officers of the Chamber for they did not publish a line about the Bingham interview in the Chamber's official bulletin following the meeting and the whole thing was likewise kept out of all of the Shanghai newspapers, foreign and Chinese, with the exception of *The China Weekly Review* which obtained an interview with Senator Bingham independently and published it in full in our issue of July 9.

DID THE GENEVA ARMS CONFERENCE FAIL?

WE DO NOT join in the almost universal chorus of sadness and regret at the failure of the Geneva Arms Conference, chiefly because we do believe that it failed. We rather incline toward the view of the *New York World* that the Conference failed two months before it started, which means of course that the Conference itself did not fail. In our view the Conference was an unqualified success because it succeeded in smoking out the British as to their future armanent plans. The Washington Conference of 1921 was only a start in the direction of naval limitation in that it only limited the number and size of capital ships, leaving the question of cruisers, destroyers and submarines open, The recent Geneva Conference, on the face of things, sought to arrive at an understanding on future construction of auxiliary naval tonnage. It was known of course in the United States that Great Britain was going ahead and violating the spirit of the Washington Conference on the question of cruiser construction, the British having either constructed, layed down or appropriated for, something like 600,000 tons in comparison to America's 300,000 tons. The recent Geneva meeting was successful in baring the British plans to the world. Hence the Geneva meeting, from that standpoint, was an unqualified success. The Conference was also successful in other ways, in that it showed unmistakable indications of Japan and Britain again getting together into another Anglo-Japanese Alliance. The agreement entered into at Washington in 1921 was for a period of ten years, hence will end in 1931. It is now 1927 so we have three years to go before the real showdown comes. The British do not want the United States to equal the British fleet for equality would mean American superiority due to America's far greater financial and economic strength. Britain talks about her 'needs' incidental to her far-flung empire which means that she wants the largest fleet in the world—maritime supremacy. Britain thinks that the traditional idea of economy in America will soon relegate the United States to a safe position of inferiority so that British policy over the world will continue to be the dominant factor in international relations. Editorial opinion on the Conference which has been cabled to these shores from the United States by *Reuters* shows that the effect of the British proposals at Geneva were most disquieting. Hence to quote a recent editorial in the *Chicago Tribune*, "it may be predicted with some confidence that if the American nation becomes convinced that Great Britain is determined to fortify its naval predominance at our expense, America's disposition to economy in naval expenditure will disappear overnight." The *Tribune* then proceeds to analyze the situation to the following effect:

> "If we get Admiral Bridgeman's main contention it is that while Great Britain is willing to agree to the principle of parity with the United States, it is not willing that the standard of equal power should be fixed below the requirements of British security and imperial interest.
>
> "That is entirely just and we have no doubt our representatives accept it without reservation. But it works both ways. As far as we are able to assess the British propositions and arrive at the British viewpoint, the British theory seems to be that the conference should sanctify the British situation and accept as the rule of limitation the asserted needs of British security and interests over the globe. Furthermore, and this is what American opinion resents, the British policy not only demands such allowances in type and tonnage as answer the British theories of British need but also resists allowances which auswer our conception of our needs. The distinction sought between offensive and defensive types is factitious and disingenuous, considering our sacrifice of naval bases, our long communications, and expanding commerce. Our position on cruiser types is not to be weakened on this line of attack. A long radius and adequate fighting weight are essential to efficient defense and cannot be sacrificed. On the other hand, if the British insist upon the high total of tonuage they demand, it is desirable that we should retain freedom to compensate ourselves in other ways, perhaps by the development of submersibles. In other words, parity need not and should not be interpreted as similarity.
>
> "America has no disposition to ask of Great Britian sacrifices seriously affecting, its security, but it will certain ly resent a disposition on the part of Great Britain to relegate us to a position of practical inferiority while pretending freely to concede parity."

SINCE all this squabbling about battleship tonnage is based upon naval strategy in the Pacific it is natural that the first manifestations of Anglo-American rivalry should be observable in the Far East. It is all right for Sir Austen Chamberlain to say that war between Great Britain and America has already been outlawed in the hearts of the peoples of the two nations, but Americans find it difficult to understand why, in a time of profound peace, Great Britain deems a considerable program of naval expansion absolutely vital. These were the words which Mr. Hugh Gibson, head of the American delegation at the Geneva Conference used in his public statement at the final plenary conference, and we believe they will find an echo in the hearts of most Americans aware of the dangers involved in the clash of British and American policies in this part of the world. This clash of British and American policies in the Far East is already in evidence and is now quite likely to increase, particularly in view of the fact Britain is showing a tendency to return to her former alliance with Japan. The Japanese press was quick to sense the significance of a naval race between America and Britain and while some of the Japanese papers think that Japan will benefit diplomatically through being able to play one nation against the other, some of the other papers were equally quick to sense the inherent possibilities of future danger for Japan. China, of

course, will probably be the first to suffer on account of the Geneva bust-up because it means practically, a scrapping of the Washington Conference program which guaranteed the political, territorial and administrative integrity of China. Elsewhere in this issue of *The Review* is a discussion of Japan's new 'strong' policy toward China which constitutes a complete about-face from the so-called 'friendship' policy which resulted from the Washington Conference. The Geneva Conference of course, did not mention China, but China was there nevertheless, as British and Japanese activities out here showed and continue to show. It was more than instinct that prompted Mr. Chu Chao-hsin, the Chinese delegate at the League to issue the following declaration during the course of the Conference:

"It is repeatedly reported in the press of the Far East that the naval armament conference may also consider questions relating to China. I have been requested, therefore, by the Chinese Nationalist government to declare that the government and the people of the republic will refuse to recognize any decision affecting China which may be arrived at by the present or any other conference in which China is not represented or in which it is not participating equally in the deliberations."

STILL MORE LIGHT ON THE NATIONALIST FLAG!

IN LAST WEEK'S issue of *The Review* a correspondent made the allegation that the present Chinese Nationalist flag consisting of a red field with a blue square in the corner upon which is superimposed a white sun, had been adopted by the Kuomintang as an emblem of Chinese-Russian friendship. In reply to this it was explained that the present Nationalist flag is nothing more than the Chinese naval flag which has beeu used on Chinese war-craft for the past sixteen years, or since the Republic came into being at Nanking in 1911. Since the foregoing appeared *The Review* has received a letter from a Chinese correspondent, which gives still further information regarding the origin of the present Nationalist flag and also some information regarding the flag containing a blue field with a white sun in the center which is frequently flown with the Nationalist flag, but which has not been so much in evidence since the split in the Kuomintang between Nanking and Hankow. Our correspondent writes as follows:

Editor, *The China Weehly Review*:—

Sir,—The Chinese Nationalist flag has been greatly misunderstood, some like Dr. Hugh M. White, having interpreted it as signifying Sino-Russian friendship.

In addition to what you said in your editorial columns on July 30, concerning the Chinese Nationalist flag, the writer wishes, for the information of Dr. White and others, to give the following facts:

(1) When the Hsing Chung Hui, or Society (興中會) was organized forty years ago, Dr. Sun Yat-sen designed the revolutionary flag which consisted of a blue field with a sun in the center, (青天白日旗) which has served since that time as the Kuomintang party flag.

(2) Under this revolutionary flag many battles have been fought much blood has been spilled and many young Chinese lives, sacrificed. Long before the Manchu Dynasty was overthrown, Dr. Sun, in memory of those who had sacrificed their lives for the revolutionary cause and whose blood had stained the flag, added a red field, signifying blood, to the revolutionary flag, and intended it thus to become the national flag of the Republic.

(3) The writer personally saw the flag, now known as the Nationalist flag, in the halls of the Tung Ming Hui (同盟會) and in the houses of some of its members in America long before the Republic of China was established in 1911.

(4) The first Chinese parliament, being under the influence of Yuan Shih-kai, adopted the "five-barred" flag as the Chinese National flag in Peking in 1912, but at the same time the Parliament, in order to give the Kuomintang a little 'face' adopted the design of Dr. Sun Yat-sen as the Naval flag. Therefore, the statement in *The Review* that the Nationalists have simply adopted the Naval flag as their land emblem is not entirely correct. The Nationalists are now simply making general use of their own National flag which has been used by the Navy since the Revolution.

(5) As for the use of red as a color for the field of the flag, it should be known that red is a significant Chinese color. Foreigners certainly have noticed that on Chinese New Year holidays or other happy occasions, that the color red always predominates. If Dr. White requires another reason for the use of red in the Chinese flag, he can find it here. Certainly the use of red in the Chinese Nationalist flag has nothing to do with the Bolsheviks.

A NATIONALIST

Shanghai, Aug. 2, 1927.

The foregoing evidence should be sufficiently convincing even for those who see a "red" inspiration in everything in China today, to prove that the Russians had nothing whatever to do with the creation of the Nationalist flag. Also it might be stated that the British naval flag actually contains more red color than does the Chinese Nationalist flag and it may be interesting to disclose in this same connection, that out of 78 national flags pictured in the Standard Collegiate Dictionary, some 65 contain red as a color while 15 have a background of solid red. Countries using flags in which the color red predominates are Great Britain, India, Switzerland, Chinese army, Ukrane, Turkey, America, Liberia, Zanzibar, Morocco, Canada, Denmark, Egypt, and Japan. Also our tin of favorite 'Prince Albert' tobacco is colored red but we don't think the Bolsheviks had anything to do with it!

ALL HONOR TO THESE TWO U. S. AMBASSADORS!

THE AMERICAN Minister in Egypt to Dr. Joseph Morton Howell, who was selected for this post by President Harding. Before his appointment as Minister to Egypt, Dr. Howell was a practicing physician in the little town of Washington Court House, Ohio. Dr. Howell is not a 'trained' diplomat, which perhaps is the reason why he has sufficient courage to get up and say what he thinks. This he did recently when he was being entertained by the Egyptian Temperance Association. Dr. Howell said:

"The matter of forcing opium and whiskey down the throats of the people unable to protect themselves by reason of treaties and legal obligations to which they are really in no wise parties, and from which they are unable, militarily or otherwise, to protect themselves, is nothing short of a crime. Such imperialism deserves the worst censure both by God and man."

Since Great Britain is the dominant power in control of Egyptian affairs, there can be no incorrect guessing as to what nation Dr. Howell had in mind when he mentioned the "forcing of opium and whiskey down the throats of people unable to protect themselves by reason of treaties and legal obligations to which they are really in no wise parties. . . ." The other American foreign representative whom we wish to recommend for the hall of fame is Dr. Alanson B. Houghton, Ambassador to Great Britain. In a recent address at Harvard where he received an honorary degree, Dr. Houghton talked about peace and how to preserve it. He told how nations got into war; how their foreign policies were controlled by small groups of experts who, with the best intentions, got them into positions that had to be sustained. (We quote this from an editorial in *Life*). He said international relations were simple enough, being mostly a matter of how best to trade, but he thought this age-long habit of having questions of war or peace practically settled by diplomatic experts had come to be out of date. It was, in our

day, an embarassment. In the great self-governing nations pretty much everything else, he said, was settled by majority votes, but there never was a popular referendum on peace or war. He thought it was time to have one. He thought the habit of having the will of the people determine everything except war or peace would not do any longer, and that the self-governing nations must start a new method.

THE SACCO-VANZETTI AFFAIR

SACCO and Vanzetti are two Italians who were convicted of murder about six years ago, the crime having been committed in connection with a pay-roll robbery. Owing to the numerous delays incidental to appeals and petitions, there was a great delay in the execution of the sentence. It was generally felt that the Judge who tried them had shown considerable bias and animosity against agitators in general during the course of the trial, but an independent commission of college presidents and other men in the highest walks of life, appointed by the Governer of Massachusetts, reported that the trial had been a fair one and that the men were guilty beyond a reasonable doubt. Communistic sympathizers with the condemned men committed outrages of various kinds in the United States and in other countries, but if there is one thing that tends to strengthen the determination of American administrators it is any attempt at intimidation, and the friends of the condemned men conld have done them no worse disservice, if it was their object to save them. However, back of all these demonstrations there is something deeper than the guilt or innocence of these two men. The administration of the criminal law in the United States is a disgrace to the country, and if the dynamitings and bombings that are going on will create a strong public sentiment for reform, as it is to be hoped that they will, they will not have been without some good effect, even though they were misdirected in their aim.

Death of Governor Wood of the Philippines

A telegram from New York dated August 7 announced the death of Major General Wood, Governor General of the Philippine Islands, in a hospital following an operation. General Wood was known to have been in somewhat failing health of late, but a recent photograph showing him with President Collidge at the Summer White House in the Black Hills failed to disclose any trace of illness. The death of General Wood is an event of great significance, particularly to Americans in the Far East. Although his administration of the Philippines was much criticized by prominent Filipino leaders, they will probably be the first to testify to his honesty of purpose. General Wood's ideal always was administrative efficiency, and anything that stood in his way in attaining that ideal was opposed with a firm hand. Much as the Filipinos objected to some of his administrative acts they will probably see that in the end he protected them from many an evil, and it is not altogether an impossibility that some future governor, less intent on administrative efficiency than General Wood, may, while apparently bending to the political wishes of the Filipino leaders, lead them into a maze of economic bondage, the very thing that the deceased Governor had led them out of. General Wood's death will, however, probably make it easier for the Filipino leaders to accomplish one of their ideals, namely to secure the transfer of the administration of the Philippine Islands to the Department of the Interior instead of as it is at present, under the War Department.

To End Registration of Chinese Land in Foreign Consulates

Gen. Chiang Kai-shek has written a letter to the Shanghai Ratepayers Association acknowledging receipt of their resolution of July 22, in which they requested the Nanking Government to issue a proclamation forbidding Chinese to register their properties in the names of foreigners in foreign Consulates. Among the points made by the Ratepayers Association is that this registration procedure makes the amount of taxes apparently paid by foreigners out of all proportion to the real situation. Gen. Chiang states in his letter that he has reported the matter to the Ministry of Finance and the Ministry of Foreign Affairs for consideration.

A Summary of Chinese "Chaos"

BY WILBUR BURTON

DURING the past month the second phase of the Chinese Revolution ended in what outwardly seems to be the most complete collapse of any movement in the history of modern times. Perhaps it can be said that "finis" was written on this phase of the Revolution on that tragic Tuesday of July 19, in Wuhan when the Women's Department of the Central Kuomintang appealed to the Central Executive Committee for protection of bobbed-haired girls from the soldiers of Ho Chien—for in the Wuhan area, which was lately the "red" heart of China, bobbed-hair was a significant symbol of Celestial revolt.

This second phase of the Revolution has ended like the first—in what the treaty-port press delights to call "chaos." When the third phase of the Revolution will begin and what it will be like are not a part of this study, excepting indirectly. It will be recalled that the first phase of the Revolution almost 16 years ago—the downfall of the Dragon Throne—was followed by militaristic chaos, combined with foreign oppression, that eventually resulted in an angry tide of Nationalism sweeping northward from the Pearl River to the Yangtsze.

During the past three months this tide of Nationalism and the Kuomintang that directed it has apparently spent its force. First came the "split" between Nanking and Wuhan. There was never much civil or party government in Nanking; now there is none in Wuhan. In the expressive language of the departing Borodin: "The militarists are again in the saddle."

That does not mean, of course, that the Revolution has ended. Just as the germs of the revolt against the Manchus finally developed into the Nationalist movement of 1926 and 1927, so are the germs of the last outbreak probably sprouting, even now, into another movement that either in the near or distant future will give old China hands another scare of their lives.

Madame Sun Remains Incorruptible

During those long and weary years from 1912 to 1925, the sincerely idealistic and brilliantly erratic Dr. Sun Yat-sen kept the revolutionary fires burning despite every effort of Yuan Shih-kai and lesser warlords to exterminate them—and also despite desertions of opportunists once in the camp of Dr. Sun. Today much the same situation prevails. The brave and determined widow of Dr. Sun, now in retirement in her historic family home on Rue Moliere, remains incorruptible and is probably the greatest moral force in Chinese politics today. There are others, such as Teng Yen-tat, late director of the Political Department of Wuhan, and labor and peasant leaders whose names are utterly unknown to most foreigners, who have refused to sell their souls for a mess of pottage.

This little but fearless group, the spiritual heirs of Dr Sun's "Dare-to-Die Corps," today hold the Revolution in their keeping. They represent the inarticulate masses that compose about 85 percent of China's four hundred millions—and when the warlords now rampant in the land have exhausted themselves in military madness the third phase of the Revolution will begin.

The first phase of the Revolution, the revolt against the Manchus, was largely a political outbreak against a tottering dynasty with some, but not very coherent, social elements—such as elimination of foot-binding and the queue. To most foreigners it has doubtless seemed that the more recent phase of the Revolution was directed chiefly against the unequal treaties and foreign concessions.

As a matter of fact, this view has few facts to support it. It is true that the Nationalist movement was anti-imperialistic—but at the best that only half describes it. Every feudal warlord in China who is not openly and avowedly a paid hireling of foreigners, such as Chang Tso-lin, is just as anti-imperialistic as the late Nationalist Government of Wuhan. China needs no Revolution to be anti-imperialist and the present absence of any central authority anywhere in China, outside the walls of Peking, will probably prove more injurious to foreign imperialism than would a strong, central government such as Wuhan once promised to become.

The more significant half of the recent phase of the Revolution was the movement of the laborers and peasants—a movement as portending to the continent of Asia as was the bourgeoisie movement in the French Revolution to the continent of Europe.

It was this phase of the Revolution that resulted in its ultaure—for the present. It was this phase of the Revolution that the treaty-port press has called "communist," although there was little genuine communism in it.

If the Government of Wuhan had been only anti-imperialist it would not have fallen. Its only enemies, provided

it would have been merely anti-imperialist, would have been the Protocol Powers and it has been seen that they dared not intervene.

The movement of laborers and peasants toward greater social freedom and better living conditions, however, found as many enemies inside as outside China. In revolutionary phraseology, the peasant and labor movement encountered an array of "counter-revolutionists" impossible to convert by propaganda and, at the present, impossible to vanquish by force available. These "counter-revolutionists" were: landlords, the gentry compradores, old-fashioned scholars, Chinese bankers and capitalists, military leaders, and foreign powers.

To all these classes, the laborers' and peasants' share of the Revolution, in whole or in part, was too "radical" to tolerate, although the only real communism to be found in it was seizure of land by the peasants in some parts of Hunan. (From the strict viewpoint this was hardly communism. In Russia, the peasants seized the land long before the communists ever took over power. Further, true communism would mean seizure of land by the state and the Hunan peasants merely seized the land as did the Russian peasants—for themselves.)

None the less this part of the Revolution was "red" of most dangerous ray serene to the old order, native and foreign, in China. The demand of laborers for higher wages and better working conditions, the demands of peasants (where lands were not seized) for lower rents, and the new social freedom aroused more "ch'i" in the veins of the old-fashioned than could all the insults known to a rickshaw-coolie. With the expression of this "wrath-matter"—by blood and iron—came the end of the second phase of the Revolution.

If I were a strict Marxian I suppose I would explain it all by the "economic interpretation of history" but I don't think that explanation would fully satisfy. The struggle for social freedom that made such rapid strides in the areas affected by the Revolution was against the centuries-old Confucian tyranny that is so dear to the hearts of the old-fashioned.

The Power of the Past

"Wives, obey your husband—children, obey your parents—servants, obey your masters"—such were the three commandments of the sage of Shantung, and they probably mean more to the average old-fashioned Chinese than do the ten commandments to us. It is all too likely that eminently respectable sons of Han would sooner see their financial profits reduced than witness the complete collapse of the Confucian *raj*. And if the recent Revolution had triumphed the Confucian philosphy would probably have been supplanted by a code composed of some of the teachings of Dr. Sun, Dr. Hu Shih, and the advocates of "Bertrand Russell marriages."

Many recent events, however, adapt themeslves admirably to the "economic interpretation." It will be recalled that the seizure of Shanghai by armed laborers in March was the most important factor in promoting Chiang Kai-shek's desertion of Wuhan, with aid of local Chinese capitalists and compradores. Seizure of land belonging to Wuhan officers by the Hunanese peasants was the beginning of the present debacle in Hupeh.—a debacle that has resulted in ruthless military suppression of all labor unions, even as in Shanghai.

There is irony as well as tragedy in this "counter-revolution." Ever since the stirring days of 1925 labor unions have been the chief prop of the Chinese bourgeoisie in fighting imperialism. Many Chinese firms are said to have made huge profits as a result of supporting the labor unions in the General Strike in Shanghai in 1925, and the anti-British boycott of the same year could not have been carried on without the assistance of the labor unions. It is also obvious that the Chinese in Shanghai could have won a more clear-cut victory in the recent war against "taxation without representation" had they enlisted the support of Shanghai laborers and staged a general strike.

Organized labor now, however, is crushed throughout China and, as was indicated in the "tax strike," the bourgeoisie are injured thereby. Perhaps this injury may be less than what will come when the next phase of the Revolution begins.

It was inevitable that the events of the past six months would bring about "counter-revolution." Is it not also inevitable that the present "counter-revolution" may eventually bring about a "redder" revolution than before?

In previous years, beginning with the revolt of 1911, social revolution and evolutions alike in China scarcely penetrated beyond the coast cities, with the exception, of course, of cutting off of queues. During the last year the Nationalist tide from the Pearl River carried social revolution into the great heart of China. Peasants and laborers there, for the first time in untold centuries, sipped the wine of freedom. Will they forget its exhilarating taste, its scarlet sheen or its inspiring bouquet?

The questions is as pertinent to foreigners as to Chinese. If foreigners insist on "sitting tight" on their stolen "rights" their position is apt to be as bad, if not worse, than that of the Chinese militarists when the next phase of the Revolution bursts forth with volcanic thunder. As long as foreigners occupy the Yangtsze with their gunboats the Chinese, even such as Ho Chien, can "pass the buck" to foreigners for the present oppression. It has been done before and it can be done again.

If the foreign powers-that-be were wise they would see to it now, during this present "chaos" while feudal militarists are dancing a sort of Celestial "Charleston" on the comatose byody of the Revolution, that Sino-foreign treaties were so revised as to give no offense to the masses of this mighty land.

But foreign powers-that-be will most likely do nothing but "sit tight." They are probably as stupid as the Chinese militarists—and both are likely to be drowned together when the Revolution once more reaches high tide.

Shanghai August 6, 1927.

President Coolidge Enunciates Definitely America's China Policy

The following message is from The Review's correspondent, who is attached to the summer White House with President Coolidge at Rapids City, South Dakota:-

Summer Capital, Rapids City, S.Dak., Aug. 5—President Coolidge's policy of non-intervention in China's internal affairs has not changed since the delivery of his address on American foreign policy at the United Press dinner in New York on April 27 last, it became known here today when the President met the correspondents for a talk dealing primarily with the failure of the Arms Conference at Geneva. In reference to China the President repeated his statement of April 27 that the friendship and interest of America in China had become proverbial and that America has no disposition to do otherwise than assist and encourage every legitimate aspiration of the Chinese people for freedom, for unity, for the cultivation of a national spirit and the realization of a republican form of government. The American marines and warships are in the Far East purely for the protection of American lives and properties and to guard against eventualties which might develop incidental to the present strife and turmoil taking place in China. "We have no wish to pursue any course of aggression against the Chinese," the President said, and expressed the opinion that no new developments had taken place to cause him to make the slightest modification in his previous views.

When the President was informed that there are now approximately 13,000 American troops in China waters, including sailors and marines at Hankow, Shanghai, Chefoo, Tientsin and Peking and including forces permanenty stationed in North China under the Boxer Protocol, he said that he did not know the exact number of American residents in China but thought that the total was something like 14,000 in which case he did not consider the American armed forces excessive. American citizens in accessible places must be protected, the President said, and declared that sufficient forces will be kept in China waters for this purpose until China is in a position to assume the responsibility.

In answer to questions pertaining to conditions in China, the President said that he did not have sufficient detailed information to know what had happened recently, but he understood that the barbed-wire entanglements had been removed from the borders of the Shanghai Settlements and that conditions in that area were approaching normal. The President stated that he had been informed that the entanglements had prevented the looting of the city and had been of service to both Chinese and foreigners.

The President is devoting serious attention to the preliminary reports of the American delegates to the Geneva Arms Conference, but as yet has issued no official or unofficial statement on the failure of the meeting or American official reaction in this connection. It is assumed that the outcome of the Conference will have certain reactions in the forthcoming political campaign owing to the demands now appearing in a certain section of the press that the United States should continue naval construction.

Income Tax Regulations Enacted by Nationalists

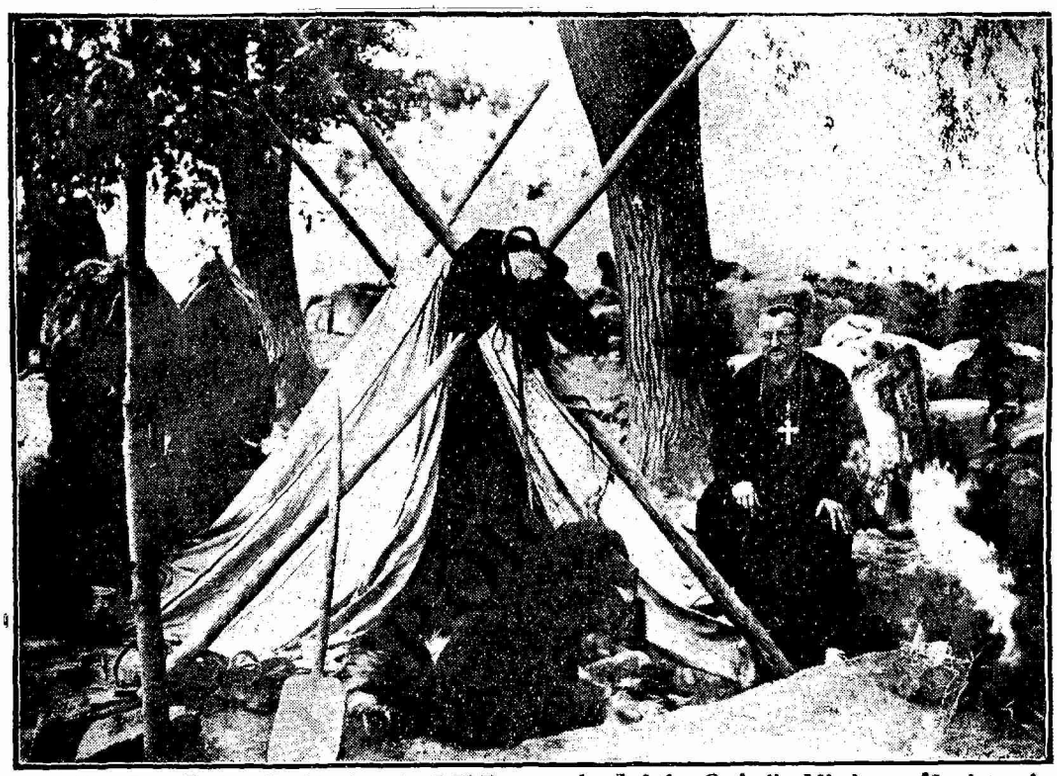
The Nationalist Government at Nanking has sanctioned legislation governing the collection of an income tax. The collections are to be made by the T reasury departments of the respective offices and headquarters. Detailed instructions have been given as to the method of collection and the disposal of the funds. It is provided that the collected tax may not be appropriated for local expenditure without the previous consent of the Central Financial Committee.

Details of Disastrous Earthquake in North Kansu

THE magnitude of the earthquake which occured in the province of Kansu, China, towards the end of May is only at this late day becoming known to the outside world, the delay in securing the details of the catastrophe being due to the lack of communications with this distant far Northwestern province, made still worse by the devastation incidental to the quake.

The initial and most destructive tremor took place on May 23, and since that date there have been successive lesser disturbances. The area mostly affected was the north half of the province included in the triangle formed by the cities of Liangchow, Ninghia and Lanchow—all of which are "fu" (prefectural) cities. Of these the first-mentioned was the hardest hit.

The first details of the disaster to reach the civilized world were contained in a letter written by Theodore Buddenbrook, German Vicar Apostolic for the Society of the Divine Word Mission, who was stationed at the town of Sisiang, lying south of Liangchow, at the time of the earthquake. Writing to the office of his Mission in Shanghai under date of June 15, he stated: "The magnitude of the calamity is still unknown and may never be known. The postal and telegraphic services have been razed, this fact explaining the apparent failure to advise the outside world at an earlier date. The loss of human life totals many thousands, if not more than a hundred thousand. The misery of the survivors is indescribable, as there is no food, no clothing, nor any animals. There is no doubt but here is one of the world's greatest catastrophes, one requiring international help.



The Rev. Father Buddenbrook, S.V.D., member of the Catholic Missionary Society of the Divine Word. Father Buddenbrook, who is of German nationality, lost all of his earthly possessions when his house and mission were destroyed in the May 23 earthquake.

A Succession of Quakes

"We need medicines, food, and money. We have lost everything and are living in mud huts. The members of the Society are moving from place to place, consoling the frenzied survivors, administering holy sacraments. Weeks have now passed since the 'judgment day' of May 23, but daily still earthquakes are heard and felt, causing a renewal of terrors among the populace."

Rev. Buddenbrook in a later communication, giving details of the earthquake, states: "That Monday before Ascension Day will never be forgotten. Its terrors cannot be erased from our minds. We arose early as usual. It promised to be a beautiful day. The ever-beautiful May sun was shedding its glory over the mountains and valleys and there was nothing which indicated the coming disaster. My morning meditation was rudely interrupted by a violent shock, rattling the windows and shaking the house. I made a hasty exit, but afterwards all was quiet. Such experiences are not unusual here, so I proceeded to the orphanage chapel where a hundred children and Sisters were assembled for mass. I began the mass and had completed the consecration, stopping at the memento for the dead. Without the slightest warning the powers of hell broke loose, with an indescribable noise, with terrible thundering below and terrifying echoes in the air.

"As if carried by a hurricane I was pushed from the altar through the sacristy into the open. The Sisters and children rushed to the door as the walls crashed, which unfortunately fell in our direction. The little children came scrambling over the falling bricks. The dust created the blackest darkness, thus adding to their terrors. I still hear the screams of the children as we were tossed about. It was impossible to stand up and we instinctively fell to our knees imploring God's mercy, amidst the roaring, thundering noise, the collapsing building and the rolling earth. Then the tremors slackened for a few minutes, an awful agony existing until the air cleared and enabled us to see, dimly. We were dazed. The missionaries with the help of a few Chinese began the rescue. Child after child was carried out. Three were dead and six others died shortly afterwards as the result of injuries. There they lay, dead and wounded, side by side. I was kept occupied administering sacraments to the dying. The sight of those innocent children in agony is indescribable. Some had their arms broken, others their legs; in some instances their backbone had been broken, in other cases limbs were hanging merely by the skin.

Sister Superior Killed At Mass

The Sister Superior Constantina was carried out dead, after twenty-one years of work in China. She was found dead on top of two children who were still alive. It is impossible to give an adequate idea of the misery of those who escaped. They are at present living in mud and straw huts. They are afraid to return to the few houses still standing, as the quakes have been continuing for weeks after the initial crash. For miles in all directions everything is in ruins."

Rev. Buddenbrook's description of the disaster is very vivid. He says further: "The most fateful day in the history of northwest Kansu was May 23, when nature's forces claimed a frightful holocaust of human beings, an earthquake so terrible that I thought the end of the world had arrived. We have stood at the brink of eternity. Our escape was nothing short of miraculous.

"Sisiang, our largest center, was entirely destroyed. About us a hundred villages met the same fate. Liangchow is a city of 83,000 residents. The buildings have nearly all been razed, only the base walls remaining standing. Kulang, the major city southward from here is no more. Southeast of Laingchow we had many fine Missions, which are all gone. One village was buried beneath mountains which crumbled. In many places the earth opened, emitting dirty, green, bluish, black water, amidst an ear-splitting noise."

Reports from Mr. and Mrs M. W. Belcher, who are stationed at Liangchow for the China Inland Mission, and the only remaining members of the Mission there, report that the city has been seven-tenths destroyed. The China Inland Mission property was badly damaged. The loss of life has so far not been determined.

Many Killed When Yamen Collapsed

In a note dated June 24 Mr. Belcher stated: "The earthquake began at four o'clock in the morning. The Chinese magistrate with his wife, mother, brother, and daughter, together with twenty-six others sleeping at the yamen were crushed to death when the yamen collapsed. Three one-thousand-year old pagodas were destroyed.

When the first shock began my wife and I rushed to the yard and thus escaped being crushed by the falling walls of the house. I shouted to her to run to the shoolhouse yard, running in that direction myself, but my wife's legs refused to carry her. I returned only to find a pile of ruins and mounds of earth ten feet high. My heart almost stopped, as I feared she was underneath. However, she was safe. By the time the second shock occurred many Chinese children were clinging to my knees crying: "Save us!" I comforted them by saying: "Stand still a little and everything will be all right."

All that was left of St. Benedict's Catholic Mission Church in the town of Lanchowfu, Kansu, after the May 23 earthquake. The Rev. Father P. Senge, S.V.D. shown sitting before a temporary shelter erected in the road next to the ruins of the church. The priests and nuns lost practically all of their properties, including churches and schools and are living in temporary shelters.

Several mountain chains cross Kansu province, and missionaries and others acquainted with that neighborhood believe that the earthquake severely affected twenty thousand square miles.

Julean Arnold, U. S. Commercial Attache in Shanghai who has travelled in Kansu states that the affected territory contains untold cliff dwellers and therefore an unknown number were doubtless buried when the mountains crumbled, thus making it impossible to enumerate the number of victims.

Officials of the Chinese Red Cross in Shanghai state that it will be very difficult to send any aid to the stricken area, due to its inaccessibility. Under existing conditions it takes two months to reach Liangchow from Shanghai.

34 Americans and Europeans In Stricken Area

Thirty-four American and European missionaries, including four women, are known to have been residing in North Kansu at the time of the May 23 earthquake, a check of the Mission rolls shows. The Missions believe that all of them are alive except one, but at the same time the officers of the Mission state that the actual fate of a large part of the group is unknown, due to the fact that no reports have been received from the scattered areas in which the workers lived.

The five Americans stationed in the north Kansu region are: L. P. Rand, from Brooklyn, N. Y., residing at Lanchow, who is known to be alive; Mr. and Mrs. J. S. Fiddler, of Chicago, residing at Ninghia; and F. A. Gustafsen, of Denver Colo., residing at Tsungsin. The three above mentioned are China Inland Mission workers. No reports have been received concerning the last mentioned. Miss E. Petersen, of South Dakota, residing at Chenyuan, attached to the Swedish Missionary Alliance, has not been heard from so far. The

Group of German and Chinese Catholic missionaries, members of the Society of Divine Word (American headquarters, Techny, Ill.) in the midst of the ruins of their home and headquarters in the town of Liangchow, Kansu province.

remainder of the group of Europeans consists mostly of Dutch and Germans.

Dr. L. Rand, formerly of Brooklyn, N. Y. who is directing the work of the China Inland Mission hospital at Lanchow, reports that the buildings are down and that many persons were injured. The same Mission reports from Ninghia, in the north-east corner of the province, that the quake was felt there, but the damage was slight.

The headquarters of the various Missions in Shanghai are doing their utmost to establish communication with the stricken area.

Ruins of the house and office of the Chinese Magistrate in the town of Liangchow, Kansu. More than thirty persons were killed in the building, including the Magistrate and his entire family.

Why U. S. and Britain Failed to Agree at Geneva

(For those interested in the technical phases of the dispute between America and Great Britain over the question of Naval tonnage that finally led to the breakdown of the Conference, we reprint the following article by Capt. Dudley W. Knox, U. S. Navy, retired, which appeared recently in the Baltimore Sun)

The cruiser dispute at Gen. eva throws into sharp contrast the respective states of mind of the American and British delegations. Our navy now has a large preponderance of destroyers and submarines, while Britain's forces contain a corresponding "edge" in cruisers.

We offer to sacrifice our advantage on the altar of limitation and ask a corresponding concession on their part in a well-rounded plan which Mr. Bywater has recently characterized as calculated "to put a definite stop to naval competition, and, secondly, to give her (America's) partners a square deal."

There is not the slightest difficulty in agreeing to the American offer to sacrifice destroyer and submarine advantage. It is swallowed whole, "bait, hook and sinker," and digested with less distress than any predigested food on the market. Questions of national security, defense of trade routes, integrity of food supply, competitive building, economy in naval expenditures, etc., are wrapped up in destroyer and submarine strength virtually as much as in cruiser strength.

"More Than A Gesture."

So far as Britain is concerned, the fact is that, for the defense of the most vital and vulnerable part of her trade routes—the great focus of shipping near Land's End—destroyers are more necessary than cruisers, and for attack upon that focus submarines would be more valuable than cruisers to an enemy of Britain.

The American offer to sacrifice her destroyer and submarine preponderance is thus more than a gesture. Back of it there is manifestly a genuine desire to bring about a proper and effective limitation. Had it been met half way by the British there would have been no cruiser dispute of proportions threatening to break up the whole conference.

One cannot help being struck with the similarity between the present situation at Geneva and the course of events at Washington in 1922. Then America's greatest naval asset was an incomparable program of battleships under construction, which she offered to reduce in return for corresponding concessions in auxiliary tonnage on the part of other powers. Then battleship limitation was easily accomplished, but auxiliaries—no. At present destroyer and submarine limitation is earmarked for easy adjustment, but cruisers—no. Is America again to be the only participating power to make any substantial sacrifice?

"Essentially Interrelated."

The various types of naval vessels are essentially interrelated in their fleet utility. The proportions between them which are necessary for a "balanced" fleet are by no means invariable. They depend upon the general nature of the war, and may even change substantially during the course of a naval campaign or battle.

There are situations in which one type may be effectively substituted for another. For example, destroyers are excellent substitutes for cruisers in the role of scouts over short distances in good weather, when strong enemy cruiser forces are present. To make limitation effective we must, therefore, make it universal as applying to all types. To omit some types from the limitation plan is sure to defeat the object of economy, no less than the purpose of ending competition.

It was for these reasons aside from the question of fairness, that the American plan called for not only a limitation of submarines and destroyers but of cruisers also. In no other way can the defects of the Washington treaty be rectified.

"Bewildering Ramifications."

The ramifications of the various British plans for appearing to limit cruisers without in fact limiting them have become bewildering. Their first proposal was to limit only the larger type of cruiser and leave a free-for-all in cruisers under 7,500 tons, the latter incidentally costing nearly $14,000,000 each. Then it was intimated that a 600,000-ton limitation might be acceptable, as compared with the original American proposal of between 250,000 and 200,000 tons as an upper limit. The saving in the American figures over the British figures amounted to something like $50,000,000, yet many proponents of the British proposal seriously advanced the argument that it was in the interest of economy.

The Americans have reluctantly come up to a 400,000-ton limit, which the British intimate may be acceptable, provided some special restrictions are placed upon the size of cruisers which we may build, but which apparently are not to apply equally to Great Britain, because she has already built twice as many large cruisers as we have.

Japanese Attitude.

Now the Japanese object to a limit so high as 400,000 tons because of the great expense involved. What has become of British economy? The Japanese want the original American figure, which was fixed upon by our naval officers because it was reasonable in suggesting a genuine limitation and an economical limitation.

The time seems to have come when the British should receive the American proposal in the state of mind in which it was offered. As Mr. Bywater so generously and fairly puts it in *The Sun* of yesterday: America "wishes, first, to put a definite stop to naval competition, and, secondly, to give her partners a square deal."

Shanghai's Trade Last Year Exceeded All Records and Expectations

Shanghai did a record business during the year 1926, details of which are contained in reports recently issued by the Statistical Department of the Chinese Maritime Customs. Shanghai's trade last year amounted to almost a billion (milliard) Haikwan taels, say six hundred and fifty million gold dollars. Some details of this trade are contained in the following paragraphs, which are extracts from the detailed report issued by the Chinese Customs.

YEAR by year it grows increasingly difficult to reconcile Customs statistics with the actual course of trade. Seldom have conditions been so generally unfavorable as during the 12 months under review, and yet the total value of Maritime Custom trade shows by far the largest increase that has ever been recorded in the course of its history. The nett value rose to 972 million Haikwan taels, from 755 million in 1925, the previous largest advance in the whole history of Shanghai being 101 million taels in 1920. Unlike that year, which owed its success entirely to a vast import trade, the period under review shows increases for every heading; but a close scrutiny of the figures only reveals one more proof of the truism that statistics by themselves are an unreliable index. Other more hopeful signs of progress, however, are to be found.

By the end of the third quarter, it was generally known that importations had been much heavier than in the previous year. The Customs collection for the first seven months was more than 6 million taels larger than in the corresponding period of 1925, and the increase was almost entirely due to import duty. Poor business during the closing months of the year had little effect on the final result. The total figures amounted to 596½ million taels, an advance of 164 million over 1925 and 113 million over 1924. The advance was so general among all articles of commerce that only two of the main returns headings had small declines to record, but the increase was by no means evenly distributed. Cereals, raw cotton and woollen goods accounted for half of it between them. Rice and wheat were the outstanding items, and were imported in large quantities owing to the failure of most native crops. The advance shown by woollen goods was due in the main to a too optimistic view taken by dealers early in the year, which eventually resulted in disaster.

The trade in raw cotton, alone of the three, gives any cause for satisfaction, but here again it is disappointing that, with all the advantages at her disposal, so small a share of the total raw material consumed is supplied by China. Large importations from abroad were required to enable local mills to keep active throughout the year. Other items had large increases to record, but still failed to reach the figures shown in 1924. In most cases, the promise of the opening months, combined with a fear that an extra surtax would shortly be enforced, caused dealers to lay in heavier stocks than the condition of the market would warrant. Many were unwary enough to ignore the uncertainties of exchange, and suffered severe loss from its sudden drop in the autumn. Experience of past occasions did not serve to prevent speculation on a large scale, and it is to this more than to any other reason that the general increase in importations must be attributed. Few branches of trade were able to report an increased volume of business during the year, and fewer still to show a satisfactory profit on their transactions.

A large advance in figures is also to be found under export headings. Total exports of local origin increased by 87 million taels over the previous year, two-thirds being contributed by shipments of local produce to other ports in China. Cotton yarn was by far the most prominent item, and the success in this trade was chiefly due to the grave industrial trouble and consequent reduced output of 1925. Exports of cigarettes and flour to other ports also recorded a large increase. Of the trade with foreign countries, silk was the only article to show any considerable measure of success. In nearly every other class of goods, difficulties of transportation and constant irregular taxation made the cost of obtaining supplies so excessive that merchants were often unable to fulfil their contracts without loss. At the same time, competition from other countries was keener even than usual. It is said that exporters have not been faced with such unfavorable conditions for many years. This state of affairs is not revealed by the Customs returns, chiefly because the actual quantities of cargo exported were much the same as formerly In some cases, however, notably in egg products, prices had risen to such a height that a considerable increase was recorded in the value although the quantity was less.

Low Exchange Keeps Exports

A revival of business took place from the end of September when the fall in exchange was sufficient to offset the high cost of native produce. Even at its worst, the position of exporters was never so precarious as that of the import firms, for the latter were not only faced with the same difficulties of transport and taxation, but were further handicapped by uncertainty about the future and the constant fear of their stocks in the interior being looted. Moreover, the low rate of exchange worked directly against them instead of in their favor. The increase in the figures for native imports and re-exports was largely due to the silk trade from Canton. Until the middle of October, the boycott in the South prevented Cantonese merchants from making use of the usual route via Hongkong, and much silk was brought to Shanghai for disposal. Tea, raw cotton and cotton yarn were other articles which showed a considerable advance, but as the increase in imports and re-exports was about the same, the net value of the trade of the port was hardly, affected,

Cotton Manufactures

It has already been seen that the export of locally manufactured goods, particularly cotton yarn, was far greater than in the previous year. The good results shown by Shanghai industrial concerns were the most encouraging feature of the whole period. Cotton and flour mills and silk filatures were the most successful, the two former enjoying brisk trade with other ports in China and the latter with foreign countries. All these enterprises, however, were fortunate in having certain unusual favorable circumstances, without which their year's working would have been very different. Even as it was, the net profits were by no means proportionate to the increase in output. Cotton mills, as has already been remarked, benefited from the general shortage of supplies during the previous year, plentiful stocks of raw material enabled them to enjoy the increased demand while it lasted, and the earlier months were accordingly very successful, but towards the end of the year immediate requirements of up-country markets were satisfied, and buyers were not attracted even by the abnormally low level of prices which was offered.

Failure of crops in many parts of the country and the general high cost of rice proved very advantageous to flour mills. Demand was particularly strong from the North, where great difficulty was experienced in obtaining sufficient supplies of wheat. Silk filatures owed their success entirely to the fall in exchange. The opening months of the year were not very promising, and it was not until September, when the sudden drop in silver began, that large orders were received from abroad. Results of the year's working would have been far better for all industrial enterprises if it had not been for one grave difficulty with which they had to contend. This was the growing prevalence of strikes. Workers sometimes seemed disposed to listen to agitators and declare strikes over questions that could probably have been settled by arbitration. In some cases, indeed, they actually stopped work before any demands had been made; but, on the other hand, many real hardships had to be faced by the average laborer during the year, chief of which were the high cost of rice and depreciated copper currency.

Unlike the two previous years, Shanghai during 1926 did not suffer from warfare in her immediate neighborhood. The period, indeed, may be regarded as one of unusual quiet, which stands out in welcome contrast to the disturbed conditions prevailing in nearly every other part of China, but, though Shanghai itself enjoyed peace, its trade was naturally very seriously affected, as market after market in the interior became closed to business, and communications were restored with one district only for those with another to be severed. The position at the opening of the new year was not reassuring. There was every reason to expect further fighting in the North, and all movement of goods was difficult: on the railways generally impossible. In the Upper Yangtze districts conditions were still unsettled, while the boycott continued as a drag on trade in the South.

It is not surprising, therefore, that during the few weeks which remained before the Chinese New Year business continued at a low ebb and merchants preferred to wait for some decided trend in affairs for the better. Dislocation of railway traffic, which is always the inevitable result of military operations, kept quantities of native produce tied up at various places in the interior. Even shipping was not always able to proceed to Tientsin unmolested, and on more than one occasion traffic on the Taku Bar was temporarily closed. Early in April the situation cleared. Trade, which up to then had been conducted almost exclusively with the central provinces, was rapidly renewed with the North. As the railways were gradually released from military control, they began to restore more regular

services, but the deplorable state of rollingstock and tracks and continued interference from the soldiers often prevented them from returning to normal. On many lines the penalty for the long period of dislocation had to be faced in the shape of increased passenger and traffic rates. Despite the many and sundry difficulties, the Shanghai-Nanking Railway, in July, was said to be handling the heaviest traffic in its history.

Shanghai in the meantime prospered from the interval of security and peace. Strikes, however, continued to break out with depressing frequency, in spite of the firm attitude towards agitators taken by the local authorities.

Large Silver Reserves

Throughout the uncertain period anything in the nature of a financial panic was prevented chiefly by the large reserves of silver kept in Shanghai. These were far greater than in previous years, and in September were estimated to be Shanghai Tls. 30,000,000 more than in 1925. A new factor arose, however, albeit one not altogether unforeseen, to add still further to the difficulties of trade. The silver exchange had tended to weaken since the beginning of July. In September, rates fell rapidly, and the lowest price of silver was reached on October 19, after a drop of 4d. in less than five weeks. The foreign cross-rates followed the price of silver, little improvement being seen for the remainder of the year. This sudden fall in exchange would have proved as advantageous to the export market as is was disastrous to importers had it not been for the great difficulty experienced in obtaining supplies. Only a few industries, notably silk spinning, were able to benefit from the increased prices that the low exchange would allow them to command.

At the close of the year, prospects seemed worse than at any time during the period under review, but it is hoped that peace and prosperity will succeed disappointment and gloom. Up-country markets are known to hold very small stocks, and, granted that normel conditions return, they will absorb what Shanghai has to offer.

A Record Revenue

The Customs revenue of Shanghai, excluding famine relief surtax, increased by Hk. Tls 6,682,443 over 1925, an advance of Hk. Tls. 5,158,000 over the previous record collection. The year, indeed, may be said to have broken all previous records, for not only was this increase the largest ever made in the history of Shanghai, but the revenue, with its Hk. Tls. 32,700,000, took a larger percentage of the total collection for China. Shanghai's share has risen considerably since the beginning of the century, when it was about 31 per cent. From 1920 onwards, it has kept an average of 37.6 per cent., but this year it amounted to no less than 40.9 per cent. Converting the total revenue into sterling at the Customs monthly exchange rates makes the increase comparatively insignificant—£5,235,000, as against £5,055,000 in 1924. This is due to the decline in value of silver, the average rates for the two years being 6.32 and 5.45, respectively. The sudden fall in exchange during the closing months of 1926, however, had little effect on the revenue. The collections for November and December, when the Customs rates of exchange were at their highest, were smaller than for any other month except February.

The success of the year was due to brisk import trade during the earlier months, and by the end of July the gain in revenue had already amounted to Hk. Tls. 6,300,000 over the corresponding period of 1925. Of the total increase for the year, five-sixths were contributed by import duty, and larger importations were general among the main articles of commerce.

Shipping's Recovery

Shanghai's shipping recovered from its set-back of the previous year and established a new record, both in the tonnage and number of vessels entered and cleared. The period, however, was not perhaps so successful as the figures would seem to indicate. Although Shanghai was happily spared any repetition of the grave labor trouble which had embarrassed shipping during 1925, fighting and political disturbances throughout the country caused more hindrance than in previous years. The important trade centres of Tientsin and Hankow were partially closed at one time or another by warfare, while the southern ports never fully recovered from the peculiar position that had already existed there for six months at the opening of the year. Furthermore, throughout the period the dislocated communications of the interior continued to prevent large quantities of produce from reaching the seaboard. Export cargo in consequence was seldom sufficient for the number of vessels offering. Matters improved towards the end of September, when the fall in exchange gave exporters some much-needed assistance, but the most satisfactory business of the year was due to foreign goods, which were imported in unusual quantities, more perhaps than the prevailing conditions would seem to warrant.

Of the more concrete kind of difficulties with which shipping was beset, piracy was the most serious. This menace has been steadily growing for some years, but during the past 12 months it reached a pitch quite unprecedented in Chinese waters. Apart from attacks on junks and launches, that have often been reported in the neighborhood, no fewer than five Shanghai coastal steamers on a regular service were pirated, and in only one instance—the now famous one of the str. Sunning—was the attempt not completely successful.

The history of Japan's shipping is one of steady increase. Her total tonnage has advanced each year (with the exception of a small setback during the months following the earthquake), from 6.15 million tons in 1920 to 9.38 tons for the year under review. This is almost entirely due to her ocean shipping engaged in foreign trade, the actual figures in millions of tons for the five years being:—1922, 4.37 tons; 1923, 4.87 tons; 1924, 5.18 tons; 1925, 5.73 tons; 1926, 6.44 tons; whereas the difference between the combined tonnage for Japanese coast and river shipping in 1926 and in 1922 does not amount to 300,000 tons. A very adequate proof is thus provided, not only that Japan's ever-increasing flow of trade with China is being carried by vessels of her own flag, but also that her shipping is offering stern competition for the trade of other countries.

Comparing the figures for 1920 and 1926, it is seen that countries with smaller shipping interests are gradually taking a larger share. No fewer than four flags, namely the Dutch, French, German and Norwegian, with less than 200,000 tons to their credit in 1920, have recorded an increase of more than 600,000 tons since that time.

A Timber Boom

The timber trade was one of the most successful of the year. After a salutary lesson in 1925, minor dealers refrained from large speculative purchases, and business was conducted on a sounder basis. The total importations of timber increased by Hk. Tls. 4,991,000 in value, or nearly 100 per cent. This advance, it is true, was not quite sufficient to make up for the decline of the previous year, but, unlike in 1924, when quantities of lumber intended for Japanese reconstructive purposes were dumped on Shanghai, the total figures for the year more nearly represented the true requirements of the market. The most important item was ordinary sawn softwood, which showed an increase of 66,776,000 superficial feet, amounting to Hk. Tls. 3,142,000 in value. Oregon pine contributed by far the largest share. At the opening of the year stocks were somewhat low, and, on the brisk demand, prices advanced from about Tls. 48 per 1,000 feet to between Tls. 50 and Tls. 52. There they remained until the late spring, when they began to fall rather heavily. A change for the better occurred in October, owing to the fall in silver, and prices rose to as high as Tls. 58. Consumption fell off slightly during the last quarter on account of disturbed political conditions and the approach of the new year settlement. Business closed in 1926 with rates steady at about Tls. 54. There is an increasing demand in Shanghai for Japanese pine, and this variety of timber is likely to take the place of Foochow poles as the main competitor of American softwood.

A further notable advance was made in the motor car trade during the year. One the most interesting features was the increased demand for trucks and charabancs, which are coming into common use in China, not only for commercial purposes, but also for the transport of troops and munitions. Importations into Shanghai rose from Hk. Tls. 114.000 to Hk. Tls. 306,000 in value.

Lazy Men, Cheap Men and Fishermen in Chekiang Granted Equality

The Chekiang provincial government has just passed a regulation granting complete 'equality' with other Chinese to members of various clans in Chekiang province which for many centuries have been considered 'inferiors' and the members prohibited from marrying with the Chinese. The new regulation states that the clan known as "Lazy Men" numbers some 20,000 in the Ningpo district. The Chinese name for the clan is "Tu-min." In Wenchow and Chuchow there is another clan known as "Yi-min" or Cheap men which is said to number about 200,000 with surnames of Lan, Lai, Chung and Pan. In the Hangchow and Chichow districts is a race of fishermen consisting of nine main family divisions with surnames of Chen, Chien, Lin, Li, Yen, Sun, Yeh, Hsu and Ho, which have also been rated as 'inferiors.' The origin of these 'inferior' clans is somewhat obscure, but according to the report they are supposed to be of Mongol origin, their ancestors having conquered China about seven centuries ago. When the Yuan dynasty collapsed and its imperial family retreated to Urga, the various garrisons in the different provinces particularly in Chekiang were reduced to serfdom and their descendents became tailors, shoemakers, barbers and chaircarriers. For all these centuries, according to the report, the children of these 'inferior' races have not been permitted to attend Chinese schools and all intermarriage with the Chinese has been prohibited. Now, however, they are to be granted complete equality with everybody else, according to the new provincial regulation.

'Unequal Treaties' as Chinese Grievances

BY ARTHUR RANSOME
(*Manchester Guardian*)

We are officially committed to a policy of meeting the legitimate aspirations of the Chinese. If you ask the Chinese what are their legitimate aspirations they refer immediately to "the unequal treaties," which Northerners and Southerners are all at one in wishing to see annulled.

The first point that they seek to make is that the treaties were indeed "unequal," being imposed by one side on the other, and not being the result of mutual, frendly agreement. Mr. Wong Ching-wei, spokesman of the Kuomintang, is the spokesman of all educated China when he says:—

"The Nanking Treaty was the result of the Opium War. The Tientsin and Peking Treaties were extorted by the united forces of the English and the French. The Makwan Treaty was the result of the Sino-Japanese War. The Boxer Treaty was extorted by the united forces of eight Powers. All these were violent robberies, without the consent of the Chinese people."

Is it surprising that, holding this view of the treaties and met by those who are unwilling to see them abrogated, with references to the sanctity of international law, he should exclaim:—

"What is international law? It is an instrument for maintaining the privileges which the strong nations have obtained from the weak."

It is not surprising that he should make that exclamation, and not surprising that Chinese generally should echo it. But when, admitting that the treaties were in fact arrangements by which, on various occasions, China bought peace, you say to the Chinese, "Yes, but the point is, in what way to-day does China suffer from these same treaties?" you will be lucky if you can get a coherent answer. The Chinese are so accustomed to denouncement of the treaties on the historical grounds of their inequality that, except in a very few cases, they have not bothered to go farther, and are utterly at a loss when asked to prove actual damage. Yet their case, when, after listening to many of them, you piece it together is a pretty good one. I shall try to state it as fairly as I can.

The Right to be Protectionist.

Thanks to the treaties, they have lost control of their own Customs. They are not able themselves to decide what tax they put on incoming and outgoing goods. Now it so happens that the Chinese are among the continental peoples lamentably persuaded of the advantages of Protection. We contributed to their adoption of this erroneous view by killing their tea trade with us by putting a duty on Chinese tea of something like 200 per cent. They reason, If the English taxed our tea in order to favor Indian tea, why cannot we tax English textiles in order to favor our own mills? The answer to that is that through the treaties the Chinese have lost the power of putting more than a nominal tariff on anything. I fear there is no doubt that when the Chinese regain tariff autonomy they will use it to clap on duties in a Protectionist frenzy and high fever exasperated by previous suppression, which will have to be allowed to reduce itself, as it will reduce itself, to the absurd. Experience and not war will cure them of their delusion. We do not go to war with countries which put on ridiculous import duties, or we should be fighting Esthonia, Russia, America, and alas ourselves. The Chinese, wrong-headed in many things are surely right in thinking that they are an oppressed nation so long as other people are able to prevent them from trying any foolish experiments in Protection that may please them.

Then, too, they share the view of many British Chancellors of the Exchequer that they have only to clap on import duties to raise their revenue. Consequently, they say, by preventing us from having a free hand with our own Customs duties you prevent us from raising our revenue, thereby compelling us to borrow from yourselves at rates which you, among yourselves, decide. They thus attribute to the compulsory smallness of their import duties not only the inability of Chinese manufacturers to compete with foreigners but the prevailing emptiness of the Chinese Treasury, and to that in turn they attribute the disgusting venality of their officials, the systematic robbery of what little public money there is, the neglect of the State railways, the cutting down of trees, the selling of ancient monuments (walls, temples, &c.) as building material, and, indeed, without looking farther, all the more regrettable public life.

The Right to Control Finance.

A great part of the Chinese revenue is earmaked for the payment of interest on loans, and the Chinese complain that, thanks to this, the financial capital of China has been shifted from the political capital to Shanghai, and there actually into the International Settlement. They complain that this geographical displacement of the financial centre of the country is not accidental, but corresponds accurately to the position of the ruling interests in China, which are foreign and not Chinese. They complain that the clearing-house for the Customs revenue is in Shanghai and that the money is banked with foreign banks, thus creating for them a massive financial backing for lack of which the Chinese banks suffer. The result of this is, in their opinion, that Chinese revenue is used to strengthen foreign business at the expense of Chinese, so that every port opened to trade in China is in effect an instrument that works against Chinese interests. As Mr. Wong says, in a book ("China and the Nations") which all who seek to understand the Chinese point of view should read:

"Apart from the international control of tariff, we should not mind opening as many ports as possible. But so long as this continues every additional port opened in China is an additional curse to her."

If, in answer to this, you say to the Chinese that, after all, China has had the benefit of the loans, they make three replies. Some of the loans, they say, were contracted with the knowledge of the Powers against the will of the Chinese Parliament. Most of the loans, they say, would have been unnecessary if they had a free hand in raising import duties. With this statement it is hard to agree; but with the third reply, that many of the loans were forced upon China by her need to meet foreign aggression and to indemnify or buy off the aggressors, no student of Chinese history can quarrel.

The Right to Administer the Law.

Because foreigners live in the concessions, the Chinese demand for their rendition has come to seem abroad the most important point in the Chinese Nationalist programme. This is not so. All Chinese demand the rendition of the concessions, but the existence of these comparatively luxurious ghettoes is not one of their chief grievances but rather a secondary one. They do, indeed, say "Force of arms obtained you the concessions, and now you use the concessions as an excuse again to bring foreign troops into our country," but they are clear enough in thinking that the concessions are actually a mitigation of the state of affairs produced by the existence of extra-territorality or consular jurisdiction. The grievance of the concessions is secondary to this more fundamental complaint. The pride of the Chinese is hurt by the existence of these independent plutocratic republics of foreigners scattered about his country, and the foreigners in the concessions do nothing to soften and much to exasperate that pain, but so long as foreigners in China are not subject to the laws of the country, the more they tend to herd together in easily defined areas the less does their abnormal status interfere with or become obvious in the national life. There is, for example, more bitterness over the encroachment of foreign municipal authority along foreign municipal roads made by foreigners outside the Shanghai Settlement than there is over the actual existence of areas for a long time under foreign control. The existence of concessions and similar areas is almost a natural corollary of consular jurisdiction, but their expansion, on excuses no matter how ingenious, is an unbearable suggestion that the era of consular jurisdiction is not coming presently to an end.

Consular jurisdiction has expanded from quite modest beginnings. To-day it means that a foreigner in China, unless he be German, Austrian, or Russian, is subject not to Chinese but to foreign law, administered not by Chinese but by foreigners. Foreign nationality is accordingly a valuable possession, and in the case of certain countries the Chinese claim that it is the staple of their trade with China. The inviolability of houses that have a claim to fly a foreign flag makes them, even outside the concessions, sanctuaries for fugitives from Chinese justice or injustice. Chinese law being what it is, and the state of China being one in which extortion of the grossest kind can be freely practised, the effect of consular jurisdiction is not only to make foreigners a privileged class, but by extending their privileges in varying degree to those Chinese who are associated with them in business (or even in religious faith) to cause a natural flow of Chinese capital, both in the form of labor and in that of money, into foreign instead of into Chinese concerns. It is therefore, looked upon by the Chinese Nationalists not only as in itself a derogation of Chinese sovereignty, but also as an instrument which tends inevitably to strengthen the domination of foreign interests in China. They say that this instrument must be destroyed unless they are to resign themselves to the eventual political as well as economic subjection of China to people who are not Chinese.

The Right to Independence.

This, I think, is the cause of the increasing urgency of Chinese discontent so far as that discontent concerns the

Investigating S. M. C. Extravagance

BY C. Y. W. MENG

IN running a government, as in all ordinary business, the income and expenditure though carefully estimated, are subject to fluctuation. In case of this kind, there are two alternatives, either to reduce the expenditure to its minimum or to increase the income. Generally speaking, to ask people to pay more money is always regarded as the last resort and real economists will never adopt the first alternative unless the second is exhausted. To increase the taxes merely on the ground of over-expenditure without first attempting to reduce the expenditure is nowadays considered bad economics.

During the past thirty years in Shanghai, when the balance has fallen on the wrong side it has always been the second alternative that was adopted. So long as the Chinese slept on their right, the Council might very well increase the tax to any amount without hearing a single word of protest from the taxed. But now that they are conscious of their rights, and their national feeling is being aroused, any change in amount without their permission will have the just effect of stirring the moral indignation of the taxed, and this in turn may mean the destruction of the friendship between the two peoples in this metropolis. To increase the taxes, especially at the time when the demand for equal representation in the Council runs high, when the retrocession of the concessions is a burning cry, and when the cancellation of unequal treaties has become the slogan of the Chinese, is a foolish step for a layman to take. Should the Council think cooperation with the Chinese and good friendship with the Chinese are not the necessary elements in the successful administration of this international city, I should advise the Council to increase the rate to much higher than 2%. But if they do think these are essential elements, I should advise them to withdraw the order at once, though this is done with a great loss of face—thus avoiding dragging the matter from bad to worse.

Leaving out a question of the legality of the imposition, and the iniquity of the procedure that has been adopted in enforcing collection of the increased rate, such as the discontinuance of light, etc. let us study briefly whether there is any possibility for the Council to adopt the first alternative rather than the second.

A Costly Police Force

A brief study of the financial report of 1926 will reveal to us that there is ample opportunity to do so. According to the report, the annual total income was Tls. 10,232,350.48. More than one-fifth of this sum was being used for police, half of it being for the foreign police, one-third for the Japanese police, one-fifth for the Chinese police, and one-tenth for the Sikh police.

The salary for the Commissioner General of the Police is Tls. 20,000 annually and that for the Deputy-Commissioner is Tls. 15,000 annually. Speaking of the administration office of police, and only the salary of officials of this office, it requirtes more than Tls. 238,000 annually. The salary of an inspector is Tls. 165 per mouth, while that of the Chinese policeman is only seventeen dollars per mouth. This probably justifies *The Review*, in an editorial to say, "Many a governor of a state in the United States would look with envy on the salary paid to the Secretary of the Shanghai Municipal Council, or the Commissioner General, and the heads of the other departments are in proportion, some even being higher."

Now, the question arises whether this sum can be reduced to some degree. To employ so many foreigners to be policemen rests on the theory or presumption that the foreigners are more "efficient" than Chinese. Now, let us see whether they are really efficient or whether they are merely enjoying empty fame.

Many a time I have seen a rischa coolie with bitter perspiration on his face stop in front of some shop, then the foreign policemen losing no time would rush upon him, either striking him in a brutal manner or taking away the license without saying a word. Despite any explanation that may be made by the coolie or his begging for mercy, the license has already departed from his rischa. But in fact, when the case is investigated it is nine out of ten times as follows: The coolie carries a foreigner to some place who pays him nothing but asks him to wait outside. There is nothing wrong about the coolie's waiting for payment. It is very often the case that the coolie carries a sailor or "Christian Crusader" to some shop from a few miles away and is asked to wait there for a few hours, for the sailor has gone to the bar for a drink, and it is frequently the case that such a coolie is brought to the police station for violating the police regulations about blocking the traffic. Many a time, I have tried to act as an interpretor, but mostly my interpretations avail nothing. Once, I remember clearly one such case which occurred at the corner of Peking and Szechuen Road. A foreigner (I presume a Russian) became angered by the action of the Sikh police and interfered, but he was scolded by the policeman. Finally, I advised the foreigner to take down his number and report the case to the police station, but I was answered that it was of no use, for "they were men of the same game." But before the number was actually taken down, this foreign gentleman was himself haled to the police station by this Sikh policeman. How much injustice has been done to the innocent Chinese by these highly paid foreign policemen!

Police Do Not Understand Chinese

In fact, the first prerequisite to be a policeman is the ability to understand the local dialect and customs, so that he will act as a good judge in case of dispute. That the dispute between the hirer and the rischa coolie over the payment always results in a defeat of the coolie is because these foreign policemen can not understand the Shanghai dialect; the complaint of the coolie is not understood and they always assume that the fault is on the side of the coolie.

In truth these police are so employed, not because of efficiency in performing their work, but mostly because the authorities of this "British-dominated-Settlement" are unwilling to employ Chinese and give them a living wage. It is estimated that of eight thousand Englishmen in Shanghai, one-fourth of this population is engaged in police services.

The question to be considered is why the number of foreign policemen should not be reduced and the number of the Chinese increased. As a matter of fact, by dropping one foreign policeman, salary sufficient is saved to engage ten Chinese policemen. Does this not indicate one way to reduce expenditure?

The High Cost of Music

Secondly, the budget further reveals that the sums spent for the musical department (Tls. 128,681.88) and the sum spent for the education of the Chinese (Tls. 168,716.92) were approximately equal. It is true that about Tls. 500,000 were spent for education, but let it be noted that only one-third of this was used for the education of the Chinese and two-thirds for the children of foreign residents. The sum spent for the Public Library was only one-twentyfifth (Tls. 5,990.11) of that spent for music. Is this not a sign of extravagance on the part of Shanghai Municipal Council? Which one does the Council consider of more importance—the education of the Chinese or the enjoyment of some foreigners? In the opinion of the Chinese, the sum estimated for the musical department can be greatly reduced if not altogether struck off the budget, especially in view of the present financial stringency.

The above mentioned are only two out of many possibilities for the reduction of the expenditures.

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foreigner—namely, their realisation that their wrongs or the disadvantages that have been forced upon them are not static but cumulative in effect. In considering their complaints, I doubt if we allow sufficient weight to their belated realisation of the direction of Chinese history, at any rate up to the beginning of the European war. They complain of what is, but they complain less of that than of what may be. Contact with the West, adoption, regrettable perhaps, of Western standards and interests, has brought the spokesmen of present-day China to see how much of her independence China has lost. The treaties, control of the Customs, concessions, settlements, and consular jurisdiction are for them to-day signs of their own intolerable downfall and reasons for the difficulty of their recovery.

Memorial Service at U. S. Court For the Late Mr. Schoenfeld

A memorial service for the late John Willian Schoenfeld, member of the U. S. Bar, was held at the United States Court for China, August 3, Milton D. Purdy, judge, presiding.

Practically the entire membership of the Far Eastern American Bar Association was in attendance, in addition to many members of the British Bar. Members of the Chinese bar were also in attendance to pay their last respects to their deceased fellow legal practitioner.

The eulogy was read by Major C. P. Holcomb, the adoption of the resolutions of respect being seconded by S. A. Moss. Other speakers at the service were Sterling Fessenden, District Attorney Sellett, Judge C. S. Franklin, and Mr. K. E. Newman, the latter speaking on behalf of the British bar.

Manchuria For The Chinese

This interesting account of conditions in Manchuria was written by Count Sforza, former Foreign Minister of Italy and also former Italian Minister to Peking and Ambassador to Paris, and appeared in the Manchester Guardian on July 15. Count Sforza was in China for several weeks last spring investigating conditions, following which he went to the United States and delivered several addresses before the Conference on International Affairs at Williamstown, Mass.

More than in Canton and Hankow, where men and ideas come and go like the Chinese shadows that they are; more than in Shanghai, where a big British community naively considers itself England as once Ulster did; more than in Peking, where a Diplomatic Body mistakes old names and hollow palaces for living realities—it was in Manchuria that I saw at work the process that is the everlasting strength of China. In Manchuria, too, I found a great military nation—Japan—apparently realising the sterility of its past nationalistic and military policy.

It was in 1644—but yesterday in China's history—that the Ching, coming from savage Manchuria, broke the vain defences of the Great Wall and entered Peking, where they sat, until 1912, on the throne of the Ming. Only in the last years of their rule, about 1904, did the Ching withdraw a long established prohibition of Chinese immigration into Manchuria. With their dynastic egoism they had wanted Manchuria to maintain her non-Chinese character, to remain a reservoir for loyal garrisons throughout unsteady China. Of course, in the day of danger the garrisons were of no use; Manchuria had become a desert, a desert twice the extent of Great Britain.

But a few years of freedom of immigration have been sufficient. Where on the morrow of the Boxer rebellion there hardly lived more than a few scattered peasants and shepherds, there are now 22 millions of a homogeneous Chinese population. The Manchu language, the language of those who for two centuries and a half were masters of China, has disappeared, submerged by the Chinese floods. It is only at the Peling tombs, a few miles from Mukden, the resting-place of the founder of the Ching dynasty, that one may find some inscriptions in Manchu characters. Nobody is now able to read them.

Japanese Colonisation.

What happened with the Manchus is, in a way, happening with the Japanese, whom the Treaty of Portsmouth (1905 had practically left masters of South Manchuria. The Japanese Government thought it could take advantage of its privileged situation to carry out a policy of colonisation in Manchuria. For decades the problem of the overpopulation of the Nippon Islands had been the gravest problem of the nation. Tokio in these years despised the Chinese race. The memories of the victory over the Russians had given the people a sense of overwhelming strength. Manchuria became the national cry. Enthusiasm was general for the programme of creating a continental Japan just where nature had shaped the geographical sword, Korea, pointed against the very heart of the nation. Adventurers and peasants, traders and farmers flooded in tens of thousands into the towns and fields of Manchuria. The Government encouraged the movement. The admirably managed South Manchurian Railway guided the peaceful invasion. The Japanese bought farms and started factories. They imported from China suitable workers for their farms, as the Japanese peasants proved too expensive and unequal to the hard Manchuria work.

But everywhere the Chinese peasants gradually became the proprietors. The Japanese had wanted rapid gains; the Chinese were content with economies made at the cost of every comfort in life. The Japanese wanted clean houses and gardens; the Chinese were content to crowd into mud huts. Indifferent technical management added to the poor production of the Japanese masses. The failure soon became evident.

A Lesson Shrewdly Learned.

Luckily for Japan the Manchurian lesson was learned at the same time as the more general lesson of the results of the world war. Nations, when they learn something, generally learn only in the course of generations. In Manchuria it seems as if Japan has learnt in twenty years a very important historical lesson. One may watch in Manchuria now the general demobilisation of the Japanese immigrant. More than that, Japan is encouraging the growing Chinese immigration from Shantung, which is rapidly creating new Chinese centres everywhere. Even Japanese industry, if at all speculative, is now frowned on by the Government. A prominent Japanese statesman said to me in Dairen, "Only with perfect organisation, Western science, adequate capital, and Chinese sympathy can we hope to work in China. Without these we are doomed to fail."

The change of tactics has not in the least diminised Japanese hopes in Manchuria. Only, the formula seems to be now: Manchuria must remain in peace; any danger of civil war must be warded off from the three provinces; the Manchurian plains must receive more and more Chinese immigrants; those growing millions are to develop into a happy world of exclusive customers of Japanese industries. It is not true that Chang Tso-lin, the war lord of Mukden, is Japan's man. There is no love lost between the two. But he appears to be strong, and he keeps the three Manchurian provinces united under a firm rule. If Chang dis appeared feudal struggles might ensue.

Those politicians who are infected with a cheap Machiavelianism will hardly believe that Japan has learned the vanity of passing diplomatic successes. Everything, however, points to the fact that it is so. The Great War and its scanty gains have taught a great lesson that Japan has learned. And if the Japanese realise that a policy of peace is the only practical one for them in Manchuria, is it possible that they realise that it is also the only one for them to follow in the rest of China? Notwithstanding certain transient features, I am convinced that they do.

Senator Bingham Recommends Sending U. S. Commissioners to China

United States Senator Hiram Bingham of Connecticut paid a brief return visit to Shanghai end of last week, while a passenger from Manila enroute to the United States by the s. s. ***President Madison***. The Senator was the guest of honor August 4 at a joint meeting of the Shanghai Rotary and the American University Club at the Astor House, when he delivered a fifty-minute address on impressions gained by him during his recent extensive tour of the Far East.

Speaking of Chang Tso-lin's arsenal at Mukden, the Senator stated that he was struck by the amount of new construction that was going on. At Peking, Senator Bingham visited the large American-supported mission school and complimented the management on constructing buildings with a Chinese *motif*. He was, however, disappointed to see a statue of a Chinese student who had been killed in a demonstration against the Peking authorities, stating that he considered such a statue out of place in an American school.

In Shansi province, the Senator was a guest of Governor Yen Hsi-shan. Referring to his visit to the Yangtsze valley, Senator Bingham said it was unfortunate that the Nationalist troops do not observe discipline and do not even obey the orders of their own officers.

Senator Bingham said he was highly impressed with the excellent way in which the Chinese were keeping up Tsingtao.

In a conversation with American and British newspaper correspondents following the tiffin, Senator Bingham reiterated his previous suggestion to American newspaper correspondents in Shanghai that the United States Government should send commissioners to China in order to keep in the closest possible touch with the various Chinese factions both North and South, specifying Chang Tso-ling and Yen Hsi-shan in the North and Hankow and Nanking in the South with a possibility of also sending a commissioner to Canton. "We shouldn't permit the Russians to do all the talking," said the Senator.

One of the newspaper men asked Senator Bingham for his views on treaty revision to which he replied: "Manifestly it is impossible for the United States or any country to negotiate new treaties with China so long as the Chinese are split up in factions. But this should not prevent us from sending commissioners to the various factional leaders to find out their views on the question of treaty revision. We can at least 'talk' treaty revision and find out China's views; then when the country is united and ready to negotiate in earnest, we will be prepared. I would be willing to support a measure in Congress to appropriate sufficient funds to finance the sending of additional diplomatic representatives to China."

From the standpoint of America's naval representation in the Far East, Senator Bingham favors the stationing of gunboats at points where Americans expect to do business, for the purpose of protecting lives and properties, due to the fact that the Nationalists manifestly are unable to enforce discipline among their troops very far from their official yamens.

The Senator also declared his conviction that the foreign settlements in China should not be handed over 'lock, stock and barrel,' basing his views on the fact that people who had investments in the foreign areas, Chinese as well as foreigners, should be protected. On the other hand Senator Bingham stated that the Chinese residents of the foreign areas should be permitted to have a voice in the administration of the settlements. When asked how many representatives he thought the Chinese should have on the Council, the Senator smiled and said, "I'm afraid I have talked too much already."

Soda In The Far-East

BY BORIS P. TERGASHEFF,

(Sometime Special Lecturer of the Peking National University. Former Commercial Attache of Russian Diplomatic Service in China).

The following exhaustive study of the soda resources of Manchuria and a description of the Japanese projects to make use of them is of such length that it will have to be presented in several installments. The subject is one of extreme interest at the present time, owing to the fact that the Japanese have made certain demands in connection with the soda resources of Manchuria, which, if granted, will put the Japanese in a position to compete with the practical monopoly which the British enjoy in this important chemical product.

I.

There is in the Far East hardly any other industry so neglected as that of soda ash production.

About one-third of the world's population lives on the Asiatic Coast of the Pacific Ocean, and soda, as a commodity of the first necessity for general and industrial consumption, is already consumed in the Far East in great, ever-increasing quantity, actually amounting to about 364,000 tons.

The striking abnormality of the situation lies in the fact that one-fifth of the actual Far Eastern consumption of soda is supplied by local production, while over 300,000 tons come to the Far East as imports from abroad, roughly valued at not less than Gold $15,000,000 annually. The actual imports of soda into the Far East are a kind of monopoly of a few British firms, and to an outside observer it might seem entirely incomprehensible why the Far Eastern countries continue to consume rather expensive imported soda, while there are found in the Far East sufficient quantities of materials to manufacture soda on the spot.

The total consumption of soda ash in Japan Proper has already reached 140,000 tons a year (September "Monthly Supplement" of the Manchuria Daily News," 1926, Dairen,) while Japan herself can produce no more than 15,000 tons annually. The chemical industry of Japan, for which soda constitutes an indispensable material, rapidly increases its demand for soda ash, and before long Japan Proper will require only about 200,000 tons of soda ash a year.

Information on the consumption of soda in China is not available in exact figures, but according to general opinion it exceeds that of Japan. According to the statistics of the Chinese Maritime Customs, China annually imports through her sea-ports alone not less than 60,000 tons of soda, as for instance, 61,771 tons in 1924. Besides China's own production of soda which is officially estimated at not less than 50,000 tons, but which actually is hardly less than 70-80,000 tons, a quite considerable quantity of soda comes into China through her land frontier from Inner Mongolia. Taking all this into consideration, Dr. Wang Wen-hao, the present President of the Peking Geological Survey, also agrees, that the annual consumption of soda in Canton could not be less than that of Japan. On a conservative estimate of 1 lb. per capita per annum, China requires up to 200,000-220,000 tons of soda a year, and up to about 25,000 tons is consumed in other countries of the Far East. Following are approximate figures for the soda consumption in the Far East (in metric tons):

Table 1.

China	from 150,000 to	200,000 tons.
Japan Proper	140,000	„
Indo-China	8,500	„
Korea	7,500	„
Philippines	4,500	„
Russian Far East	2,000	„
Formosa	1,500	„
Total	364,000	tons.

The actual world consumption of soda is supplied from considerable deposits of natural soda found in India, Egypt, Arabia near Aden, the Magadi Lake in Africa, and in Venezuala. Practically all the important deposits of the world are controlled by the British. Japan, at one time, tried to obtain interests in the Magadi Lake soda deposits in Africa, but failed therein.

Centralization of the world production of soda in the hands of a few soda-producers, like the well known Solway group, makes very difficult the development of new soda deposits, and that is the explanation why considerable soda resources are lying idle in the Far East. As the matter stands now, not one cent of capital could be found either in Europe or in America for the development of the soda industry in the Far East and Siberia, although both of those countries possess quite abundant deposits of soda not only for their own consumption but also for exports. It is worth mentioning that just before the war the Russians started in the Western Siberia a rather successful soda enterprise at Barnaul, but the Solway group succeeded to buy it out, and closed it down.

There are in abundance in the Far East both natural soda and common salt as material for manufacturing of soda by the ammonia method. Sea-salt fields of China only, if rationally managed, could spare easily the necessary quantity of salt to manufacture a sufficient quantity of soda for the whole Far Eastern consumption; on the other hand, certain regions of China Proper, Manchuria, the Russian Far East and Mongolia possess also rather considerable deposits of soda in the form of natural soda lakes, There is known to exist in the Far East a number of groups of soda lakes very favorably located for the founding of large soda factories.

At the present time. however, the abundant resources of soda of the Far East are hardly touched as yet by exploitation. Manufacturing of soda is carried out in a few places only, and practically everywhere by the most primitive methods, producing, as a rule, only an either low-grade or entirely crude product. According to its nature, the manufacturing of soda requires the investment of large capital, but in China,—the richest country in soda resources,—we find nothing but native workings with negligible capital. Owing to the general nature of the world's trade in soda, controlled by large capital of a few British soda-producers, European and American capitalists are rather reluctant to venture with their investments into competition with the former.

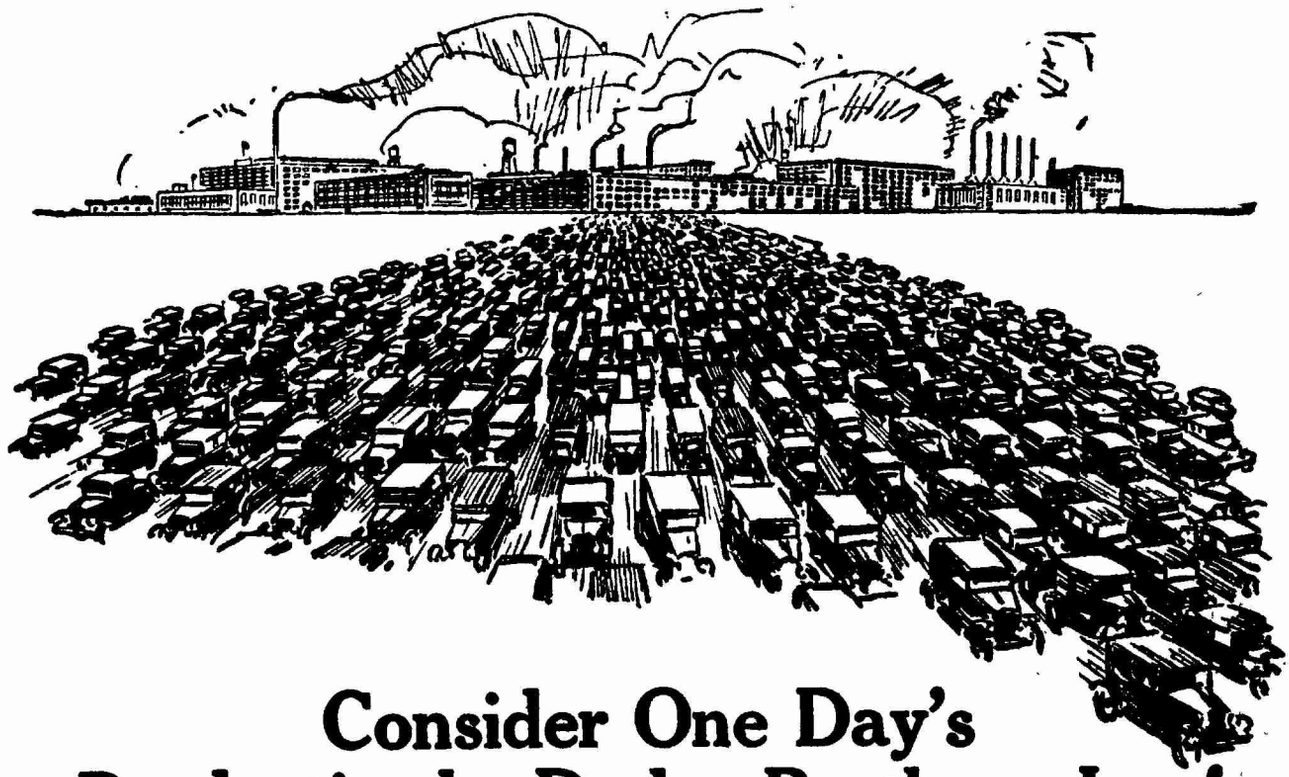
The actual soda industry in China Proper, Manchuria and Mongolia, being of an exclusively primitive form, it is absolutely impossible to obtain any exact figures of the total production of soda in these countries. Only a number of the largest native enterprises are covered by more or less approximate official estimates. For China, the author takes, as a basis for this article, the official data of the Peking Geological Survey, but they are undoubtedly by far lower than the actual figures. Quite reliable and exact data are available with respect to Japan Proper only.

The following table, compiled by the author, contains all the available reliable data on soda production in the Far East:

Table 2.

Production of soda in the Far East

Countries.	Metric tons	Value in G.$.		Notes.
China Proper	30,000	900,000	*1925.*	Approximate minimal estimate by the Peking Geological Survey is 50,000 tons, Manchuria included. Value per ton: Hk. T. 38 (G. $30).
North Manchuria	18,850	565,500	*1925.*	Combined estimate based on the data of the Peking Geological Survey and the author's own data. Value per ton G.$.30.
South Manchuria.	1,200	36,000	*1925.*	Information from the same source. The figure is lower than the reality. In China and Manchuria a low grade product is obtainable. Primitive evaporation is the usual method of production.
Japan Proper.	12,000	540,000	*1925.*	Prof. T. Nishikawa's data. Value per ton: G. Yen 90.-(G.$.45.)
Indo-China	1,000	45,000	*1925.*	Service des Mines de l'Indo chine. Production has just begun Value per ton: G.$.45.- In Japan and Indo-China soda is manufactured by modern methods.
Inner Mongolia	6,150.	184,500	*1925.*	Estimate of soda from Chahar region only, marketed at Kalgan. Besides, a considerable quantity of soda is exported into China from



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			Inner Mongolia directly through the Provinces of Kansu, Shansi, Jehol and Taonanfu. Value per ton: G$30.:
Russian Far-East			Was in exploitation in abaikalia, only for a short period (during 1912.)
Formosa.....			Was in exploitation only during the war manufactured from salt.
Philippines			The founding of a soda factory is in contemplation (from salt).
Outer Mongolia			Only crude soda is produced by natives in quantities hard to estimate.
TOTAL.....	69,200	2,271,000	.....

These figures speak by themselves how insignificant is the actual development of the soda industry in the Far East, while there are not only abundant resources of soda but also consumption of a considerable magnitude. Only in Japan Proper and Indo-China soda is manufactured with modern machinery, but in China, Manchuria and Mongolia the soda industry is still conducted along the most backward lines, manufacturing a low-grade product only.

The rapidly and constantly increasing demand for soda in Japan and China as well as in other Far Eastern countries dictates the necessity of a serious development of the local soda industry. According to all that is known about the soda resources in the Asiatic Far East,—China Proper, Manchuria, Mongolia and the Russian Far East possess sufficient resources for the founding of a rational soda industry not only for local consumption, but also for exports. Of all these countries, Japan Proper is in the most unfavorable situation. She has no soda resources and is in permanent acute need of large imports of manufactured soda. At the present time, there are no two opinions upon the urgent necessity to develop the soda industry in the Far East along modern lines. The problem is only, how to find sufficient capital and to decide on the proper selection of the site for the founding of a main center of a modernly equipped soda industry.

Descriptive details on soda resources in different regions of the Far East are going to be given a little further on, but it should be mentioned here that the richest resources of natural soda are found in the region of Barga, North Manchuria.

There are in that region two large groups of natural soda lakes situated not far from the railway. With some other favorable conditions, added to this, there is everything to consider that region as worthy of especial attention, good not only for the supply of soda for local consumption but for exports abroad also.

During the past few years the author has chanced to take some part in the study of the prospects of founding a large modern soda factory at Hailar, the principal town of Barga. It has appeared that a number of foreign firms have for some time been interested in the matter. The region repeatedly has been visited by specialists, and some of them have come to the definite conclusion that, with a suitable arrangement with the railways, the founding of a large modern soda factory at Hailar would promise large prospects in exports of soda to Japan and China.

Still, it seems, that, at the present moment, there is not much hope that foreign capital could be actually assigned to such a purpose independently of such world-producers of soda, as the Solway group and others. Similar unsuccessful schemes to find foreign capital also have failed with respect to the schemes of creating a modern soda factory in China Proper. It would appear that, unless the actual world producers of soda step in themselves, it will not be so easy to find any other foreign financial group ready to face the competition of British producers.

Under the actual conditions of the world soda market, the British importers of soda into the Far East are reaping nice profits, without any investments of their own on the spot. They can hardly be expected to invest money in the local soda industry, while their capital is already tied up in Africa, India and some other places. It is possible that the easiest solution of the question to develop the soda industry in the Far East along modern lines is to look for capital on the spot, either Chinese, Russian or Japanese. The only country which, being vitally interested in urgent solution of the soda question, could actually supply capital is, undoubtedly, Japan. Indeed, these several past years, she has been unrelentlessly studying this problem, and, it seems, that she has already worked out a plan to start with Japanese capital a large soda factory at a place in the Far East, which would afford most profits for Japan, and whence she could control the Far Eastern soda market.

As has just been mentioned and as will be seen from the below detailed description of different soda-producing regions, the Far East undoubtedly possesses very considerable resources of soda both in the form of natural soda found in large groups of lakes in North Manchuria, China Proper, Mongolia and in the Russian Far East, and in the form of sea-salt fields along the sea-shores of China. It is widely known that the Japanese lately have been studying the problem of developing the soda industry in the Barga region, and have found that the scheme could not be properly realized in their favor unless they built and controlled a railway line between Taonanfu and Hailar, which may secure them cheap freight direct from Hailar to Dairen. It seems, that this scheme is now entirely abandoned and the Japanese press reports as being under consideration, quite another scheme of founding a large center of soda industry in South Manchuria, in the Kwantung Leased Territory, where common soda of commerce could be manufactured on a large scale from sea-salt.

According to the data which already have been made public in the Japanese press, Japanese experts estimate the cost-price of soda produced by the ammonia method in the Kwantung Leased Territory at GoldYen 51,91 per metric ton, franco factory, while in the case of a large factory at Hailar in Barga, a ton of common commercial soda could be produced much cheaper, at the cost-price from Gold Yen 24 to Gold Yen 38. Although everything is in the favour of the Barga region, the Japanese are confident that once a large soda factory is created in the vicinity of Dairen no capitalists would venture to invest money in soda business in Barga. They also are rather confident that the estimated cost-price of Gold Yen 51,91 could not be beaten by the British importers, who, according to the Japanese belief, could never supply soda ash to the Far Eastern ports cheaper than at G. Yen 90 per ton.

Whether or not the basis of this Japanese scheme is sound, may be judged better after the detailed study of all the resources of soda available in the Far East, as a whole, and after a proper analysis of the suitability of general conditions in different soda-bearing regions for the development of the soda industry.

II.

Natural Soda in North Manchuria

Considerable deposits of fine natural soda are found in the following three regions of North Manchuria:

1. In the *Barga region*, Heilungkiang province, in the proximity of the Chinese Eastern Railway, on both sides of the line, with the center at the town of Hailar.

2. In the *valley of the Nonni River*, Heilungkiang province, in the railway stations: Siachetze and Sartu, with the center at town of Tsitsikar.

3. In the *Fuyu (Bodune.) region*, Kirin province.

More or less sufficient information is available relative to the first two regions only, both having been visited several times by experts. According to all the data ever collected, Barga is the most important region from the point of view of soda reserves.

The Barga region, formerly independent Mongolian territory, now comes within the administrative borders of Heilungkiang province. Hailar is the principal town of Barga, situated 792 kilometres west of Harbin. To the south and to the north of Hailar there are found two large groups of natural soda lakes, which cover an aggregate area of over 500 sq. kilometers Each of these groups consists of numerous lakes, situated generally, in the closest proximity to each other. Both groups of lakes are at no great distance from the railway line, the nearest lakes of the northern group being not further than 15-20 kilometers from the line. The region represents a plain of steppe soil formation, affording good natural cart and motor-car roads. The natural and most convenient site for a soda factory is the town of Hailar, to which crude soda could be brought at small expense from the south as well as from the north.

In the absence of special prospecting data covering the Barga soda lakes, it is impossible to estimate, even roughly the total amount of natural soda reserves of Barga, but they are indisputably of a large magnitude. According to the rough estimate of a competent expert on soda, who visited the Barga soda lakes regions, the southern group of lakes alone could easily supply the entire quantity of soda required for the consumption of China and Japan, that is, not less than 250,000 tons annually.

(*To be continued next week*)

Anxiety Regarding Whereabouts of *London Times'* Correspondent

According to a telegram received by *The Review* from Dr. C. T. Wang, who is now in Chengchow, Honan province at the headquarters of Gen. Feng Yu-hsiang, the whereabouts of Basil F. Riley, correspondent for the *London Times*, are a complete mystery. Dr. Wang stated in his telegram, which was dated August 6 that Gen. Feng had sent out scouting parties in all directions in an effort to find Mr. Riley.

Mr. Riley arrived in Shanghai about the middle of May from New York and remained in Shanghai until July 4 when he departed for Hankow to investigate conditions in the Wuhan district. About two weeks later, or about July 20 he went to Chengchow, Honan province in company with the Belgian Consul-General at Hankow, making the trip in a private car supplied by the Peking-Hankow Railway. After a short time, in Chengchow Mr. Riley and the Belgian Consul-General prepared to depart for Loyang where the Christian General, Feng Yu-hsiang was then making his headquarters. The train was scheduled to depart from Changchow at about noon, so early in the morning of the day they were scheduled to leave Mr. Riley went alone into the country near Chengchow for the purpose of investigating conditions in a Christian village nearby and has not been heard from since.

Mr. Riley is of Australian nationality, but has spent considerable time in the United States being a graduate of Columbia University where he was a student under Dr. Paul Monroe. He was an active member of International House, New York and also served for a time in the Press Gallery at Washington as correspondent for the *Times*. He was a member of the National Press Club and was well known in both Washington and New York. While in Shanghai, Mr. Riley lived at the American Club and although here but a short time had a wide circle of foreign and Chinese acquaintances.

Various theories have been advanced regarding Mr. Riley's disappearance, some thinking that he purposely went on a trip alone into the interior of Honan for the purpose of investigating the Red Spear organizations, while others think he was kidnapped by bandits and possibly has been murdered. The British Legation has sent a man to Honan to investigate the matter, but thus far no official reports on his disappearance have been made.

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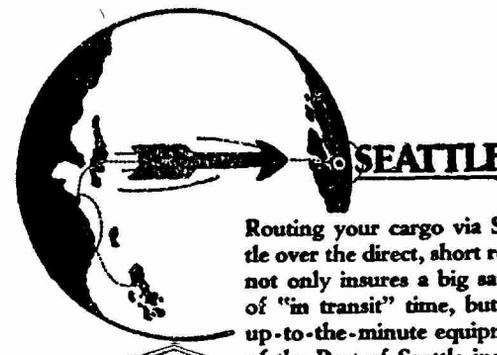

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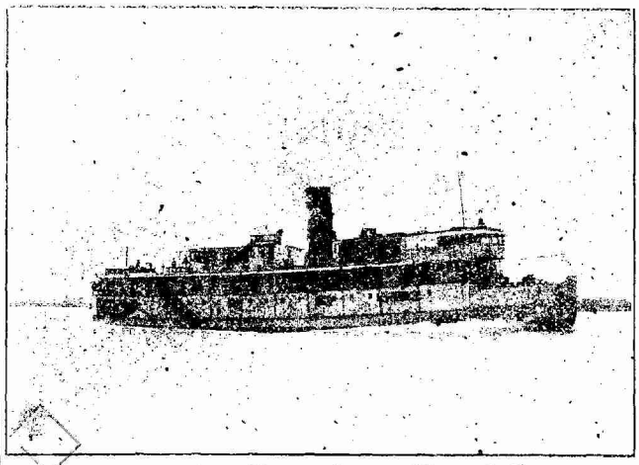

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41-374

Shanghai's Recent Silk Filature Strike

BY PAUL K. WHANG

THE recent strike of the silk women, which tied up eighteen out of ninety-one silk filatures at Shanghai was not altogether unexpected, inasmuch as they had long intimated their intention to resort to such a course, after watching impatiently the workers of other industries utilizing this means to their important end of either increasing their wages or shortening their working hours. On the other hand, the filature managers were not unaware of this approaching catastrophe, as they spared no efforts in their attempts to pacify the workers under their respective managements with the promise of increasing the wages after the new season. Their efforts, coupled with this promise, worked miraculously well up to the cocoon season without any mishaps, in spite of the fact that the silk women of other cities had already had their wages increased and hours shortened as a result of violent measures.

With the opening of the new season, acting upon their previous promise, the filature men, after many conferences, spontaneously raised the wage from fifty cents to fifty-five cents a day, with the working hours set at eleven (from half past five in the morning to half past five in the evening with one hour for lunch). This timely action on the part of the filature men should be highly commended, and win the goodwill of the female workers. On the surface, the workers were quite satisfied with this increase of five cents, or 10% of the daily wage, as they remember very well that in former years it was almost next to impossible to demand an increase of even two cents a day without resorting to strikes. So far so good.

There is much truth in the old saying that a spark might eventually produce a conflagration; so is the recent silk women's strike. On June 28, the female workers of I-Fong Silk Filature located at Hongkew section of Shanghai went on strike, on account of their opposition to the erection of partitions in the women's avatory. The filature in question was formerly under one management; but, after the opening of the new season, it was leased to four different lessees and the basins were divided among them: Naturally, for the sake of convenience, the lavatory was likewise partitioned. This matter primarily was of a trivial nature, and really was no concern of the workers. In ordinary times this difference would be settled without the least trouble, but this time, to our bewilderment, the silk women walked out the filature with no better reason than this. After efforts towards an adjustment proved futile, the manager of that filature undertook to pay all wages at the the end of month and intimated that he would close down the filature.

After realizing that they were deprived of employment, the strikers were in a state of much apprehension. They soon picketed the doors of other filatures in the neighborhood, in the hope of preventing other silk women from working. As a consequence, all the filatures of the Hongkew section, all in all eighteen in number were tied up on July 2, with 10,000 women thrown out of employment. Fortunately, the strike was confined in the Hongkew section; otherwise it might draw the women of the other 73 filatures of Shanghai into the turmoil, and the situation would have been much more complicated. Accordingly, the filature men had to attune their ears to the workers' complaints; but, to their disappointment, they could not find any one who could be the spokesmen of the strikers. During the strike, several filature premises were raided, and many casualties resulted. Finally, the local Federation of Labor Unions came in to save the situation by effecting a compromise through its good office. As a result, the daily wage was further increased by three cents. With the daily wage increased from fifty cents to fifty-eight cents, the workers returned to their work on July 7.

On July 8, the silk women of Tung-Wei Silk Filature of the Hongkew section walked out again on the allegation that their demand for the payment of bonus during the period of strike had been rejected by the management. The workers of the other seventeen filatures of that section soon rallied to their help by a wholesale walkout. Forseeing the difficulties in bringing the workers into an understanding, the manager of those filatures, instead of seeking any adjustment, made it known to the public that they were ready to close down their filatures. Once again the Federation of Labor Unions assumed the role of mediater. A general meeting was called by the Federation of Labor Unions, and in the presence of representatives of filature men and of silk workers, many points were discussed. At the close of the meeting, the following agreement was reached:

(1) The daily wage of the best reeler should be 58 cents.
(2) The working hours should be limited to eleven (from 5. 30 A. M. to 5.30 P. M. with one hour for lunch.)

(*Continued on page 287*)

Patent Applications in China

The following is a translation made by N. F. Allman, American attorney, and member of the firm of Fleming and Allman, of the Procedure for the Provisional Registration of Patent Applications in China, issued by the Ministry of Agriculture and Commerce June 8, 1927

Whereas this Ministry has received numerous applications from foreigners for the registration of Patents which could not be attended to, due to the non-promulgation of a patent law governing such cases, and recently applications from foreigners have increased: Therefore the following provisional patent procedure is hereby promulgated in respect of foreign Patents:

Art. 1. Any treaty power citizen who has a patent from his own government or from another government, for an invention, discovery, or new method in the arts and industries may, during the validity of said patent, and pending the promulgation of a patent law in China, may apply to this Ministry for provisional registration, subject however to the requirements of any formal Chinese patent law hereinafter promugated. Applications concerning food, drinks, medicines, military supplies and contraband articles will not be registered.

Art. 2. Applications must be submitted on the forms provided by this Ministry and must be clearly written. Applications must be accompanied by a copy in a foreign language for reference purposes.

Art. 3. For reference purposes the applicant must also submit the patent certificate, or other document, or a copy thereof issued by a patent office together with drawings and specifications and a printed detailed statement. If the application is filed by an agent a Power of Attorney must be submitted.

Art. 4. After an application concerning an article or method is registered and approved by this Ministry a receipt shall be issued. This shall not however be deemed a grant of registered patent rights, but such cases shall be given prior consideration when a formal patent law is promulgated.

Art. 5. The applicant shall pay an application fee of $2.00 for each article in the application and a registration fee of $12.00. The registration fee shall be returned if the application is rejected.

Modern Labor Legislation Fostered by Nationalist Government

A Commission of seven members to draft a labor code has been formed by the Nationalist government at Nanking. The Commission is now, by way of preliminary work, making an extensive study of the labor codes of various nations, particularly those compiled by the International Labor Office of the League of Nations. The idea of the Commission is to work gradually and to select those parts of foreign codes which are adaptable to Chinese conditions, always having in mind the San Min principles enunciated by the late Dr. Sun Yat-sen. Ma Chao-chin has been appointed chief of the labor bureau. Yu Yah-ching will represent the interests of capital.

A Commission of arbitration between capital and labor has been organized by the Special Municipality of Shanghai. The Commission aims to promote the welfare of workers, to enhance their productive capacity, to arbitrate disputes and to foster closer relations between industry and commerce.

The Commission is composed as follows: Three representatives from the Government, one to be appointed by the Special District Office of the Kuomintang and the other two by the Special Municipality of Shanghai; five representatives from the labor union; and five representatives from the industrial and commercial bodies.

The staff of the Commission will consist of a chief secretary, two assistant secretaries, a number of recorders and an accountant and treasurer. A monthly appropriation of five hundred dollars is being made by the Special Municipality of Shanghai to cover the expenses of the Commission.

(*Continued from page 286*)

(3) The monthly bonus should ammount to 4 days' wage, if the worker had not a single day off during the whole month; 3 days' wage, one day off; 2 days' wage, one-and-a-half days off; and no bonus would be paid, if the worker was absent from work more than two days in the month.

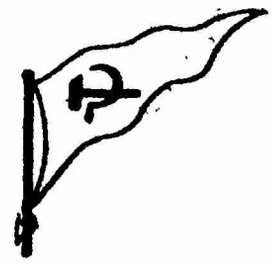
(4) During the period of strike, a bonus amounting to one day's wage would be paid.

The workers only went back to their work July 14.

The above discussion is a resume of the recent silk women's strike, which, though confined to the Hongkew section, had a great bearing upon the silk industry of Central China, so long as the agreement thus reached has been followed by the filatures of other sections of the same city as well as by those of other cities.

This strike, to all intents and purposes, was stirred up by a few radical elements, inasmuch as 9 out of 10 female workers were well satisfied with the original increase of five cents. It imparts a good lesson to the filature men that a spark might eventually produce a conflagration.

Soochow, Kiangsu Province, August 2, 1927.



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Men and Events

The *Realtors' and Tenants' Daily News* is the title of a new Shanghai publication, edited by Carl A. Bowman, 12 a Nanking Road.

C. J. Ketchum, of the London *Daily Express* and E. Ashmead Bartlett, of the London *Daily Telegraph*, sailed for England last week.

The Nanking government has established a special stamp tax office for imported and Chinese machine brewed foreign wines and liqueurs in Shanghai.

Miss Wai Sheung Siu was a passenger from Shanghai last week by the *s. s. President Madison* to the United States. She will attend Emerson College, at Boston, Mass.

A son was born to Mr. and Mrs. P. H. Bordwell of the Dollar Company on Friday, August 5. Mr. Bordwell is manager of the lumber department of the Dollar Company.

Three members of the U. S. Marine Corps were found guilty in the U. S. Court for China August 9 of the robbery of watches from a second-hand store in Hongkew.

The Japanese cotton mill owners in Shanghai threaten to close all their mills if the Nanking government persists in its attempt to impose the proposed taxation September 1.

Dr. Walter Williams, dean of the School of Journalism University of Missouri and Honorary President of the Press Congress of the World, arrived in Japan on August 4 on a month's trip through Japan and China.

The Pacific Foreign Trade Council will meet this year in Victoria, B. C., the sittings occupying three days, commencing September 15. The Pacific Foreign Trade Council is an organization functioning through the foreign trade divisions of the various Chambers of Commerce.

By the sudden collapse August 9 of the Dong Ka Wei market building, just inside the Chinese city on the borders of the French Concession Shanghai, thirty persons were killed and several hundred were injured. The catastrophe is attributed to the sinking of the foundations as a result of the recent heavy rains.

An article by Bruce Bliven in the *New Republic* dealing with Los Angeles, says the city has produced a special type of citizen. He is "the big beaming man, with clipped military moustaches, whose golf is in the nineties, motor speed in the sixties, waistline in the forties, wife in the thirties, and sweetheart in the (early) twenties."

Chief Inspector T. P. Givens of the Shanghai police force, who when during the investigation held two years ago following the May 30 affair was asked by Judge Johnson whether he was the "sieve" through which information went to headquarters, replied that he would rather describe himself as a "funnel", has been appointed Assistant Commissioner of Police.

It the report in the Shanghai *Evening News* (Chang Tso-ling organ) on August 9 that the Northern troops had captured Pengpu, and the report in the *Shanghai Courier* (Nationalist organ) of the same day that Lincheng in Shantung province had been captured by the Nationalist forces, were both correct, the Northern and Southern armies must have passed each other completely, and traded territories.

Judgment was given at the British Supreme Court, Shanghai August 8, against Wing On's and Sincere's (Chinese-owned, but British incorporated department stores) in favor of the Municipal Council for taxes due for the present quarter. Representatives of the two stores stated that they allowed the case to come into court in view of a possible boycott if they paid the extra taxes voluntarily.

Millions of patent-medicince users throughout the Orient will learn with interest that the manufacturers of "Jintan" the popular tonic for young and old which is sold throughout Asia, are having serious financial difficulties and may be forced to liquidate. According to a recent story in the *Japan Advertiser*, the Japanese firm of Morishita, Hiroshi and Company, Osaka, were caught in the recent financial panic in Japan and have debts in excess of Yen 3,000,000. They were heavily involved in the failure of the Fifteenth Bank.

Wm. Henry Coulter of Toronto, Canada, came to China several months ago for the purpose of joining the British forces here, but was unsuccessful and is now in desperate financial circumstances, living at the Hanbury Institute, Shanghai. Mr. Coulter states that he applied to the military officials, but for some technical reason, was not permitted to enlist in the forces. For a time he lived with a Chinese friend whom he met on the boat, but is now residing at the Hanbury Institute and is desirous of obtaining work in Shanghai or financial assistance to enable him to return home. Mr. Coulter is a veteran of several wars and has received numerous decorations.

Who's Who in China

Mr. Ku Ying-fen,
古應芬字湘芹

Mr. Ku Ying-fen was born at Fan-yu Hsien, Kwangtung Province, in 1873. During the Ching dynasty he attended the Imperial Examinations and obtained the degree of Mo-Tsai (Licentiate). Later he proceeded to Japan to study law and economics. Returning to China in 1911, Mr. Ku took part in the revolution. In 1912 he was appointed chief secretary to the provisional Kwangtung Provincial Assembly, and later he was promoted to be Tupan of Chiungai. In 1917 when Parliament was convened at Canton, he became its chief secretary. In 1920 Mr. Ku was appointed Chief of the Department of Political Affairs under the Civil Governor of Kwangtung. In 1923 when the late Dr Sun Yat-sen pursued General Shen Hung-yin who, under Marshal Wu Pei-fu, made an unsuccessful attack upon Kwangtung, Mr. Ku by order of Dr. Sun, transferred the general headquarters of which he was in command temporarily to Kongmoon. When Dr Sun returned to Kwangtung, Mr. Ku was appointed chief secretary to the Kwangtung Generalissimo. In 1924 he became Chief of the Department of Financial Affairs and concurrently Secretary of Finance. When the Provincial Government was reorganized, Mr. Ku became a member of Kuomintang Central Control Committee and concurrently Chief of the Department of Civil Affairs. Mr. Ku resigned his positions in 1926 at the time the Nationalist Revolutionary Army captured Wu-Han. Later he returned to Kiangsi where he met General Chiang Kai-shek, to whom to gave details of a Communist plot to rebel against Chiang at Kwangtung. Mr. Ku's work for the Kuomintang is characterized by honesty, and he is especially skilled in financial affairs. When the Nationalist Government succeeded in Nanking, Mr. Ku retained the post of Minister of Finance and also acted concurrently as chief of the department of Financial Affairs in Kuangtung Province; also was a member of the Committee of the Kwangtung Provincial Government.

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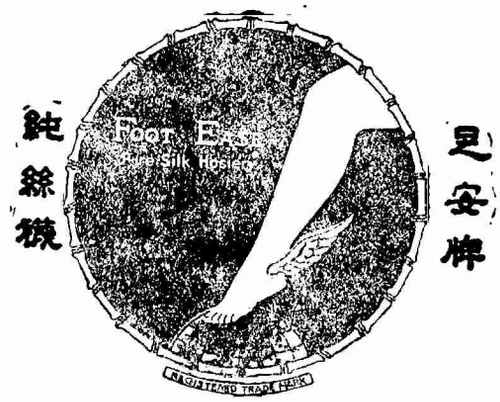

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vs
C. F. REHNBORG,
Defendant.

Cause No. 2959
Civil No. 1215
SUMMONS ALIAS
Filed at Shanghai, China, August 4 1927.
L. T. Kenake
Assistant Clerk.

The President of the United States of America

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C. F. REHNBORG

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEA) **WITNESS the HONORABLE MILTON D. PURDY Judge of the United States Court for China, Shanghai, China. Feb. 4, 1927.**

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

Japanese Complications in The Chinese Civil War

BY J. B. P.

The Japanese Minister to China, Mr. Yoshizawa, and the Japanese Consul-General at Shanghai, Mr. Yada, are now in Nanking, having departed from Shanghai for the Nationalist Capital on Monday, August 8. They were accompanied by a considerable staff of clerks add also by Mr. Tajima, the Acting Japanese Consul at Nanking. After several days in Nanking the party plans to proceed to Hankow.

The foregoing information is of very great interest at this time because of the negotiations which are proceeding between the Japanese and the Nationalist officials. Gen. Chiang Kai-shek, commander-in-chief of the Nationalist military forces, who has been at the front, has returned to Nanking and in addition to this Dr. C. C. Wu, Minister for Foreign Affairs and Mr. Quo Tai-chi, Commissioner of Foreign Affairs, have also departed for Nanking to participate in the conference.

It is unnecessary to emphasize the importance of this conference which is likely to have a distinct bearing upon the future of the Nationalist movement, the reason for this statement being that the Nationalists are now strictly up against the new Japanese 'strong' policy toward China and it will be both interesting and significant to see how the thing comes out. Both Mr. Yoshizawa and Mr. Yada have just returned to Shanghai from the conference which was called in Tokyo by Premier Tanaka wherein it was decided to scrap Japan's 'friendship' policy which has been followed since the Washington Conference and to adopt in its place a more positive policy of protecting Japanese interests and compelling, by force of arms if necessary, respect for Japan's acquired 'rights' in China.

Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government, Who Is Now Engaged in Negotiations with the Japanese Minister, Mr. Yoshizawa.

Some of the Outstanding Questions

The first and most pressing question which the Japanese will want to discuss with the Nationalist Government is that of the new Chinese tariff which is scheduled to come into effect on Sept. 1. While on his way to Shanghai from Tokyo, Mr. Yoshizawa stopped over in Osaka where he held a conference with representatives of Osaka interests, particularly cotton manufacturers, on the subject of the new Chinese tariff rates and although nothing was said in the reports regarding the final decision, Mr. Yoshizawa upon his arrival in Shanghai gave out an interview through the official Japanese *Toho* news agency in which he declared that if the Chinese were determined to enforce tariff autonomy on Sept. 1 the Japanese would have to adopt "some adequate countermeasures."

Another and perhaps even larger question which is certain to occupy the attention of the conference in Nanking is the relationship of the Nationalist movement to Japanese interests in North China and Manchuria. In the editorial columns of this week's issue of *The Review* is a discussion of Japan's present activities in China including recent demands which have been made upon the Chinese in Manchuria and Japan's obvious interest in effecting a compromise between the Nationalists and Marshal Chang Tso-ling so as to prevent further fighting which might result in the defeat of Chang Tso-ling with possibly disastrous consequences upon the future peace of Manchuria.

Chang Tso-ling's Place in the Picture

Marshal Chang Tso-ling has always been known as the tool of the Japanese since the days when he helped the Japanese against the Russians in the Russo-Japanese War. But while being generally friendly toward the Japanese and particularly charitable in respect to the extension of Japanese interests in Manchuria, Marshal Chang has on occasion showed sign of independence which the Japanese have not liked. Now, however, Marshal Chang is in a position where he must do just about as the Japanese wish, for with the Nationalist war on his hands, he can't afford to antagonize the Japanese, who have it in their power to start a backfire against him in Manchuria which, combined with his war with the Nationalists might prove disastrous. Therefore the Japanese have picked a propitious time for forcing Marshal Chang to agree to certain things which the Japanese have desired in Manchuria for a considerable time.

These questions are discussed more thoroughly in the editorial columns of this issue, but sufficient has been said to indicate the importance of Minister Yoshizawa's trip to Nanking at this time. Japan is now in military control of the Shantung Railway with garrisons at every station on the road between Tsingtao and Tsinanfu. The Chinese are certain that both Chang Chung-chang and Sun Chuan-fang, the Northern militarists in Shantung are being financed and actively assisted by the Japanese, just as they are certain that Japanese bankers have made recent large financial advances to Chang Tso-ling in Peking. The best proof of this probably rests in the fact that Marshal Chang Tso-ling's unsecured paper currency in Manchuria has recently taken on increased value. Up to the time that the Nationalist movement had reached the Yangtsze Valley, Marshal Chang Tso-ling was flat broke and his paper money had dropped practically to zero. Now Marshal Chang seems to have plenty of money for arms and munitions and other things, not to mention the re-employment of Putnam Weale, the British propagandist who is now putting out almost daily broadsides in advocacy of a renewal of the Anglo-Japanese Alliance.

Nationalist Political Situation

The Nationalists, from the standpoint of ability to deal with the Japanese, are in a somewhat better position than they have been for a considerable period. The military threat of the Wu-Han Government against Gen. Chiang Kai-shek's position at Nanking and at Shanghai, has apparently broken down, and there are fairly well authenticated reports that Gen. Tang Shen-tse, military commander at Wu-han and Gen. Chiang Kai-shek have patched up their troubles or are on the way to patching them up. The Wu-Han military expedition under Gen. Chang Fa-kwei which had reached Kiukiang with the apparent intention of proceeding on down the Yangtsze to attack Nanking or across country to attack Shanghai, has received a halt owing to dissension in the ranks. Two of Gen. Chang Fa-kwei's subordinates stationed at Nanchang, provincial capital of Kiangsi rebelled a few days ago, which has put Gen. Chang in an embarassing position and now there are rumors that Gen.-Chang Fa-kwei may himself decide to join Nanking, thus completely restoring tranquility between Wu-han and Nanking.

Feng Yu-hsiang and Chiang Kai-shek

Dr. C. T. Wang, former Peking Premier and head of China's delegation at the Peking Tariff Conference, who is now in Chengchow, Honan, with the Christian General, Feng Yu-hsiang, in a telegram to Shanghai this week announced that Feng Yu-hsiang and Chiang Kai-shek are now in active cooperation against Chang Tso-ling. This means that all negotiations between Chang Tso-ling and Chiang Kai-shek are off, for Feng has already advanced a force of 30,000 troops into Western Shantung for the purpose of making a flank attack on the Northern troops stationed on the Tientsin-Pukow Railway in Shantung. This naturally puts an entirely different complexion on the military situation for with Feng advancing into western Shantung and also eastward along the Lung-Hai Railway, it will force the Shantung troops under Generals Chang Chung-chang and Sun Chuan-fang to retreat to Tsinanfu and possibly north of the Yellow River and also force the evacuation of Sun Chuan-fang's troops from Haichow which the Northerners captured from Chiang Kai-shek's forces after a serious battle several days ago. The Nationalists claim that Japanese soldiers dressed in Chinese uniforms were captured and killed in this battle. This campaign will, of course, force the issue between the Nationalists and the Japanese for unless the Japanese can arrive at a peaceful understanding at the Nanking conference, some unpleasant incidents may develop when the Nationalist military forces reach the line of the Shantung Railway where the Japanese troops are stationed.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

August 2—Chiang Kai-shek wires his subordinates at Shanghai to beware of rumors spread by enemies in the North—Japanese Foreign Office in statement circulated by *Toho* declares that the Northern troops now occupy a 'superior' position on the Tientsin-Pukow Railway; that Chiang Kai-shek is harassed by the Wu-Han forces in Kiangsi and is forced to mobilize forces from Amoy and Foochow in Fukien province—*Kuo Min* (Nanking official) agency circulates report that 2,950 cases of dynamite, 105 cases of percussion caps and 50 cases of fuses were discovered on the German steamer Bertram Rickmers, recently detained by the Nationalist forces at Woosung—Generals Li Tsung-jen, Bei Tsung-chi, Li Chi-seng, Huang Shao-hsiang and Chen Ko-yueh, all subordinates of Chiang Kai-shek, issue a circular telegram denouncing the actions of Gen. Chang Fa-kwei in supporting the Wu-Han Government and accusing him of supporting the Communists and destroying the Kuomingtang—Martial law declared in Wu-han as result of general strike of rickshaw men, the authorities alleging a communist plot to seize military supplies—Chiang Kai-shek orders fresh attack on Northerners in vicinity of Hsuchowfu—Reported that fighting has already started in southern Shantung between the forces of Feng Yu-hsing and Pan Hung-chun—*Kuo Wen* report from Peking states that while British attitude toward the Nanking tax increase is very strong the other powers are uncertain and that Japan's attitude is 'mild' owing to the fact that Japan has 'always' favored tariff autonomy—Japanese Government announces intentions to establish consulate at Nankiang, Manchuria despite protests of Chinese.

August 3—S. Yada, Japanese Consul-General at Shanghai, has announced a dinner on Aug. 10 in honor of Mr. Yoshizawa, Japanese Minister to Peking, the guests to be members of the local consular body and members of the Shanghai Municipal Council—Fifteen leaders of Wu-Han Government, including Tang Shen-tse, Chu Pei-teh, Ho Chien, Chang Fa-kwei, Liu Tso-lung and Chen Chia-yu, send telegram to Gen. Li Chi-shen at Canton urging him to break with Chiang Kai-shek and join in the campaign against the Nanking Government—Chinese Customs surtax office at Tientsin notifies foreign consuls that a surtax of 5 percent will be levied on luxuries after August 1—Japanese Minister, Yoshizawa, in Tokyo interview stated that the suggestion of some of the Powers that the Shanghai customs house should be occupied to prevent the imposition of so-called illegal taxes, was impractical—Liang Shih-yi, former Peking premier, arrives in Japan for visit allegedly in connection with Japanese support of Chang Tso-ling—Japanese cotton yarn and piece goods exporters passes resolution opposing Nanking taxation, declaring it to be a breach of Sino-Japanese treaty—Nanking Government appoints commission to draft a labor code, the commission being instructed to investigate labor codes in other countries, object being to make special study of compulsory arbitration, hours of labor, minimum wages, child labor, women's labor insurance—Nanking Government planning construction of railway ferry over Yangtsze at Nanking connecting Shanghai-Nanking and Tientsin-Pukow Railway—Shanghai Special Municipality announces creation of Capital-Labor Arbitration Commission, purpose being to promote welfare of workmen, enhance productive capacity, arbitrate disputes, foster relations between industry and commerce—Gen. Yeh Ting, commander of 27th division stationed at Nanchang, suddenly rebels against Chang Fa-kwei and destroys a railroad bridge between Nanchang and Kiukiang; new situation creates embarassing situation for Chang Fa-kwei, who was planning a military movement against Chiang Kai-shek by way of Fukien Province; *Toho* report from Kiukiang stated that while Wang Ching-wei and Sun Fo urged strong action against Chiang Kai-shek, that Chang Fa-kwei was not enthusiastic claiming his troops needed a rest, but finally agreed to invade Fukien—Wu-Han military seize all arms stored in labor union headquarters—*Kuo Wen* report from Wu-Han indicates serious split in ranks of Chang Fa-kwei's troops in Kiangsi—Nanking anti-opium bureau notifies opium dealers to have stocks ready for inspection—Reported that Feng Yu-hsiang is advancing 40,000 troops into western Shantung—Nanking report states that Hsuchowfu has been recaptured by Chiang Kai-shek.

August 4—Attempt made on life of Feng Chu-wan, chief of the agricultural and labor department of Canton government

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By

Dr. Stanley K. Hornbeck

Lecturer on History of the Far East at Harvard University

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by laborer, but Feng Chu-wan uninjured—*Toho* report from Peking states that Chang Chung-chang has reported that he repulsed Gen. Chiang Kai-shek's forces at Hsuchowfu on night of August 2—American Minister MacMurray will return home for conference with Secretary Kellogg, leaving Peking on August 12—Gen. Yang Yu-ting, chief-of-staff of Fengtien, departs for Taiyuanfu for a conference with Gen. Yen Hsi-shan on the matter of an armistice; Gen. Chang Chung-chang, tupan of Shantung states that he will agree to an armistice if Gen. Chiang Kai-shek will cease his attacks—*Toho* report from Tokyo states that Chang Tso-ling has ordered Gen. Yu Chung-han, director of the Chinese Eastern Railway to remit to Peking within one week the sum of $8,000,000, which is one half of the yearly receipts of the line, Marshal Chang's action being regarded as the first step in the restoration of the line to China—Chao-hsin Chu, formerly Peking's delegate to the League, but who has now joined the Nationalists at Nanking will arrive in Shanghai shortly to accept post as vice-minister of foreign affairs—Kuo Min Agency circulates draft of regulations pertaining to the enforcement of an income tax throughout Nanking controlled territories—Several thousand Chinese merchants besiege Government office in Canton when Nationalist Finance Minister Koo Ying-fen was holding conference and demanded abolition of luxury taxes; crowd finally dispersed by soldiers and fire department—Wu-Han Government declares martial law owing to fear of renewed labor outbreaks due to the transferrence of troops down river—Wu-Han Government issues orders to military commanders ordering perfect protection be given to foreign churches, schools, hospitals, business houses, factories, etc., and also stating that the only way to exterminate imperialism is through diplomatic negotiations—Dutch Minister calls on Peking foreign office regarding question of revising Sino-Dutch treaty—*Kuo Wen* report from Nanking states that Government is planning to divide country into ten agricultural districts for the establishment of agricultural banks—Northerners claim capture of Haichow on Yellow Sea at eastern end of Lung-Hai Railway—Wu-han orders dismissal of Generals Ho Lung and Yeh Ting who rebelled at Nanchang and orders Gen. Chang Fa-kwei to attack them—Peking Government borrows $200,000 for payment of salaries of Chinese diplomats abroad—*Kuo Wen* report states that railway communication has been re-established between Pukow and Hsuchowfu—Chinese Engineering Society announces annual meeting at Nanking for August 16 under auspices of Nationalist Government.

August 5—*Toho* report that Gen. Chang Fa-kwei has encountered the troops of Gen. Yeh Ting who rebelled recently at Tehan and finally captured the city; also claimed that a regiment belonging to Gen. Ho Lung, who also rebelled, were broken up and that serious street fighting has taken place in Nanchang—Nanking Government announces through *Kuo Min* agency that plan for relief of farmers has been decided upon, the plan to include abolition of the farm-tax which was assessed during the regime of Sun Chuan-fang, and the organization of a farmers' bank so organized as to grant loans at low rates to needy farmers—Nanking announces appointment of commission to formulate a national tariff schedule, the commission to be under chairmanship of Chen Tien-ku, chief of the Customs department of Ministry of Finance and to include the following members: Shan Tsung, Teng Shao-ying, Wei Tsung-sen, Ku Shih-hao, Hu Shih-chow, Ya Shao-wei, Shiu Ching-wei and Tsao Shu-pan—*Kuo Wen* reports that many wounded soldiers are being brought to Tsinan from front where serious fighting progressing between Shantung troops and forces of Chiang Kai-shek—Wu Pei-fu reported to have arrived at Kweichowfu, Szechuen where he is receiving protection of Yang Sen—Shantung authorities order arrest of Admiral Wu Tse-hsing formerly in charge of the Tsingtao fleet on charges of communicating with the Nationalists—Large quantities of ammunition received in Paotingfu from Mukden arsenal—Feng Yu-hsiang planning removal of his headquarters to Chengchow from Loyang—Chiang Kai-shek planning trip to Kweiteh to meet Feng Yu-hsiang; Feng reported concentrating large forces at Wushenkwen—Delegate from Gen. Ho Chien of Hankow arrives in Nanking with Gen. Ho's son for purpose of working out cooperation between Hankow and Nanking—Nanking Ministry of Communications appoints Hsu Wei-yang as managing director of Hankow-Canton Railway—Nanking abolishes tax of $1 a ton on coal—Shao Su-hua, retiring city magistrate of Shanghai hands over seals of office to new appointee Kiang Chia-mei—Soviet adviser Borodin passed through Chengchow, Honan on July 31 bound for Russia, hence reports that Borodin detained by Feng Yu-hsiang apparently incorrect—Nanking claims recapture of Hsuchowfu on August 2 and that Feng Yu-hsiang and Chiang Kai-shek now in active cooperation—Dr. C. T. Wang, who has been at Chengchow conferring with Feng expected to return to Shanghai immediately.

(Continued on page 294)

New Books of Interest in the Far East

Stanley Hornbeck Discusses Modern China

China Today: Political. (World Peace Foundation Pamphlets), by Stanley K. Hornbeck, lecturer on History of the Far East at Harvard University. Boston: World Peace Foundation.

Among the numerous interpreters of the life of the Far East, both native and foreign, Mr. Hornbeck is one of the best. Mr. Hornbeck puts his facts into short sentences, and uses plain and simple language. He says, for example the Chinese "display extraordinary shrewdness. In financial transactions the Chinese coolie is hard to beat; the Chinese merchant is unbeatable; a Chinese official can be beaten only by a Chinese official." Those of us who live in the Far East have always felt that way, only the idea has never been expressed quite so succinctly before.

Among the characteristics of the Chinese that Mr. Hornbeck notes are their suceptibility to that emotional infection which is known as Mob psychology. The Chinese are supposed to be pacifists, but the author says many of them are not. The military forces of modern times cannot be said to be effective. The general idea still is largely that of the Chinese scholar Sun-tzu, who said "The supreme art of war is to subdue the enemy without fighting."

Mr. Hornbeck does not believe that China will ever become aggressively "militaristic." He says "The Chinese nation has no militaristic caste, no hereditary nobility, no imperialistic traditions. But they may fight in what they could regard as a war of self-defense: and they may in the event of a war between certain other nations, take the side of one or the other of the beliggerents."

To speak of the conflicts in China as being between the *North* and the *South*, Mr. Hornbeck considers a misnomer. "They have been between persons and parties .. So far as the nation is concerned there has been no secession." Noting the fact that the Chinese are perhaps more nearly capable of national existence without government than would be possible with any other civilized peoples, the author mentions that domestic problems at the moment are complicated at many points by the problems of foreign relations.

Concerning the Nationalist movement, Mr. Hornbeck states that it is producing some real leaders, and hopes are entertained that a new China may emerge with a new *intelligentsia*, which "may establish a regime of law in a land where at the moment force alone is conclusive."

Writing of the meeting of the Tariff Conference in 1925-26 Mr. Hornbeck says the foreign delegates had stayed in Peking while Chinese delegates left, while war was going on all around, while bombs were being dropped from the air. "The conference was adjourned," says the author, "not because some powers had never meant that it should succeed; not because seven of the ten Chinese delegates had fled from Peking; but because the Nationalist government and the Nationalist armies served notice (in July 1926) that they would respect no treaty which might be negotiated by the Peking government."

Into this pamphlet of 566 pages has been packed a wealth of information all clarified with suitable comment; no student of Far Eastern matters can afford to overlook it. One hundred and fifty pages are devoted to an appendix covering state documents issued concerning the general subjects under review.

G. W. M.

B. & S. Attitude Unjust Says Tientsin British Paper

Although the British press in China was somewhat slow in giving full publicity to the shipping strike which is tying up the boats of the largest fleet on the coast of China, namely that of the China Navigation & Co., for which Butterfield & Swire are agents, and the taunt has even been flung that the British press is knuckling to this large shipping company, there is at least one newspaper and an important one, namely the *Peking & Tientsin Times*, which has taken up cudgels in behalf of the Guild. In an editorial in its issue of July 28, under the heading of "The Shipping Strike," it said:

"It is not pleasing in these circumstances to see a great British shipping concern arbitrarily reducing the wages of one class of its employes, refusing arbitration, and summarily dismissing officers, many of them with long and crediable records of service under its flag, who demand justice by a method which the Company itself agreed to be equitable more than ten years ago."

In the United States Court for China

In re Estate of	Cause No. 2960
L. FRED PATSTONE,	Estate No. 628
Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of L. FRED PATSTONE, deceased, to present the same with vouchers to the undersigned, on or before January 27, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

DAISEY CLARK PATSTONE
Executrix
1538 Avenue Joffre
SHANGHAI

Shanghai China,
July 27, 1927.

In the United States Court for China

In re Estate of	Cause No. 2961
HENRY ALFRED CA LETON EMERY	Estate No. 658
Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of HENRY ALFRED CARDETON EMERY, deceased, to present the same with vouchers to the undersigned on or before December 4, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

FRANCESE ADELENE DIANTHEA EMERY
EXECUTRIX
c/o Messrs. Fleming & Allman
Yokohama Specie Bank Building
Shanghai, China.

In the United States Court for China

In re
Last Will and Testament
of
JOHN W SCHOENFELD,
Deceased.

Cause No. 2963

Estate No. 660

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of JOHN W. SCHOENFELD, Deceased, to present the same with vouchers to the undersigned on or before February 4, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

ETHEL G. SCHOENFELD
Executrix.
c/o Schuhl & Schoenfeld
141 Szechuen Road
SHANGHAI.

(*Continued from page 292*)

August 6—Gen. Chang Fa-kwei proclaims martial law at Kiukiang, disbanding political department of his army, prohibiting meetings, causing Communists to flee; serious situation develops in Kiangsi as result of rebellion at Nanchang, but Chang Fa-kwei apparently trying to settle by compromise to avoid fighting—Hupeh provincial Kuomintang reorganized and Wu-Han Government offices filled by men of anticommunist proclivities—*Toho* report from Peking claims that Nationalist troops made desperate attempt to recapture Hsuchowfu, but were repulsed with heavy loss—Chang Tieh-chun, appointed head of Hupeh General Labor Union in place of Hsiang-fa, who was accused of calling a strike against the Government—Peking report states that Sir Miles Lampson, British Minister may visit Shanghai shortly—Japanese report states that Hsuchowfu was still held by the Northerners on Aug. 3—Group of Japanese civilians in Tokyo send letter to Nanking and Hankow factions urging compromise—Japanese Minister, Yoshizawa, now visiting in Shanghai, declares that if the Nationalists intend to declare tariff autonomy on Sept. 1 that Japan "would have to adopt countermeasures"—Shanghai Rate-payers Association receives letters from Chiang Kai-shek in which Chiang approves of a recommendation of the Ratepayers that Chinese firms and individuals should be prohibited from registering their properties and companies in foreign consulates or under foreign laws in order to escape Chinese laws and regulations and taxes; matter referred to Ministries of Foreign Affairs and Finance for action—Gen. Yang Hu, Shanghai defense commissioner and Judge Chen Chun of Special Military Court issue proclamation warning people against believing misleading reports from battle front in Shantung—*Kuo Min* agency circulates letter of Shanghai Kuomintang addressed to Yoshizawa, Japanese Minister, telling him that the Revolution is a fact and declaring that the Chinese people support the Nationalist Government's decision regarding tariff autonomy and warning the Japanese not to interfere—Dr. C. C. Wu, minister for foreign affairs recommends to Central Political Committee that officials holding two concurrent positions should only receive one salary—Japanese Minister, accompanied by Mr. Yada, consul general go to Nanking to interviww officials—Nanking Government issues regulation that henceforth all cigarette taxes must be remitted directly to the Ministry of Finance—Feng Yu-hsiang and staff reported at Kweiteh—*Kuo Wen* report from Peking states that owing to disagreement among the foreign ministers that the Powers will act independently in respect to protests against the Nationalist tariff program—Soviet Government has protested to Peking Government against censorship of telegrams addressed to Soviet embassy in Peking—Shanghai *Evening News*, Chang Tso-ling organ, reports that Nanking and Wu-Han have reached an agreement and that Chiang Kai-shek will now devote his entire energies against the North.

Shanghai Exchange for Week Ending Wednesday, August 10, 1927

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has further declined during the past week, today's quotations are 25d. ready and 25 1/16d. two months forward, which are respectively 1/4d. and 1/8d. below thoes ruling this day last week

During the same period the official T/T rate on London has fallen from 2/6 1/4d. to 2/5d., although the latter quotation is considerably below market rates. The exchange market has been erratic and a heavy fall, due chiefly to speculative buying of gold currencies occurred on Monday, added to which there was a fair merchant demand, the sterling rate fell approximately 1/2d. on the day, but the decline was overdone and shortlived and a sharp reaction quickly followed. At the close the market is quiet and steady with the following available:—T/T on London 2/5 5/8d, New York 60 1/8, Yen 79. 4 m/s export paper 2/6 1/8d., G. $61 1/2.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver .....Tls. 59,617,000 a decrease of Tls. 1,445,000
Chinese and Mexican Dollars..... $88,240,000 an increase of $ 2,740,000
Estimated value Tls. 123,149,000 as against Tls. 126,003 000 held at this time last year.

	Average rates for July	Thursday Aug. 4	Friday Aug. 5	Satur. August 6	Monday August 8	Tuesday Aug. 9	Wednesday Aug. 10
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6 1/2	2/6 1/4 2/6 2/6 5/16	2/6	2/6	2/5 3/4 2/5 2/5 13/16	2/5	2/5
D/Dfts ,,	—	2/6 1/16	2/6 1/16	2/6 1/16	2/5 1/16	2/5 1/16	2/5 1/16
4 m/s ,,	—	2/6 1/2 2/6 1/2	2/6 1/4	2/6 1/4	1/6 2/5 1/4	2/5 1/2	2/5 1/2
T/T India	170.208	169 167 1/2	167 1/2	167 3/4	166 1/2 162 1/4	162	162
T/T France	1.575.000	1565 1550	1550	1550	1540 1500	1500	1500
T/T N. Y.	61.750	61 1/4 60 3/4	60 3/4	60 3/8	60 1/4 58 3/4	58 3/8	58 3/8
T/T Demand		61 3/8 60 7/8	60 7/8	60 7/8	60 3/8 58 1/8	58 1/8	58 7/8
T/T Hamburg		257 255	255	255	253 1/4 246 3/4	246 1/2	246 1/2
T/T H'kong	78.990	79 1/4 679 1/2	79 1/2	79 3/4	79 3/4 80 1/4	80 1/2	80 1/2
T/T Japan	76.318	77 3/4 78 1	78 1/2	78 1/4	78 3/4 80 7/8	80 3/4	80 3/4
T/T Batavia	153.490	152 1/4 151	151	151	149 3/4 146	146	146
T/T Straits	91.250	92 92 3/4	92 3/4	92 3/4	93 1/2 96	96	96
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/8 1/2	2/8 1/4 2/8	2/8	2 8	2/7 3/4 2/7	2/7	2/7
4 m/s ,, D/P	—	2/8 3/8 2/8 1/8	2/8 1/8	2/8 1/8	2/7 7/8 2/7 7/8	2/7 7/8	2/7 7/8
6 m/s ,, B/L Cred D/A	2/8 1/16	2/8 1/16 2/8 5/16	2/8 5/16	2/8 3/16	2/8 1/16 2/7 5/16	2/7 5/16	2/7 5/16
4 m/s B/F Cred D/A or D/P	1.705.000	1695 1680	1680	1680	1670 1630	1630	1630
4 m/s N.Y.Lc.	65.250	64 3/4 65 1/4	64 1/4	65 1/4	63 1/4 62 1/4	62 1/4	62 1/4
4 m/s ,, Docs	—	65 1/4 64 3/4	64 3/4	65 1/4	64 1/4 62 3/4	62 3/4	62 3/4

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Aug. 4	Aug. 5	Aug. 6	Aug. 8	Aug. 9	Aug. 10
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25 1/8	25 1/8	25 1/8	25 1/8	24 1/8	25
**New York Price of Bar Silver per oz. (Pure)	G. $.55 1/2	G. $. 55 3/8	G. $. 55 3/8	G. $. 54 7/8	G. $.54 1/8	G. $.54 3/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chaping) 978 touch).....	Tls. 379 70	Tls. 376 70	Tls. 378 70	Tls. 388 50	Tls. 368 50	Tls. 386 00
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110 90	110 90	110 90	110 90	110 90	110 90
Shanghai Mexican Dollars per $100.....	72.4	72.3	72.375	72.35	72.3	72.3
Native Bank Rate of Interest (Call money).....	3 1/2%	3%	3%	3%	3 1/2%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4 1/2%	London Paris on	T/T 124.01
Bank of France rate of discount	5%	New York on London	T/T 486 1/8
London open Market of Dis. 3 m/s	4 3/8%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	4 5/16%	Hongkong on London	T/T 1/11 1/4
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/11 11/32